

March 4, 2015

The Honorable Amanda Grosserode, Chairperson
House Committee on Education Budget
Statehouse, Room 274-W
Topeka, Kansas 66612

Dear Representative Grosserode:

SUBJECT: Fiscal Note for HB 2394 by House Committee on Appropriations

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2394 is respectfully submitted to your committee.

Under current law, the Technical Education Incentive Program, under the Kansas Board of Regents, provides an award of \$1,000 to a school district for each student graduating from a high school and who has obtained an industry-recognized credential. HB 2394 would change the award to \$250 plus the cost of each successful completion of an industry-recognized credential assessment by a student in the program. However, the bill would limit the aggregate of all program incentive awards to \$750,000 per school year.

| Estimated State Fiscal Effect | | | | |
|-------------------------------|----------------|----------------------|----------------|----------------------|
| | FY 2015 SGF | FY 2015 All Funds | FY 2016 SGF | FY 2016 All Funds |
| Revenue | -- | -- | -- | -- |
| Expenditure | -- | -- | \$425,700 | \$425,700 |
| FTE Pos. | -- | -- | -- | -- |

According to the Kansas Board of Regents, there were 1,419 students during FY 2014 who had credentials issued as part of the program at an average cost of \$50 per credential. If the program was to be funded according to current law with the same level of participation, \$1,419,000 in incentive payments would be made to school districts in FY 2016 and FY 2017 (\$1,000 incentive payment X 1,419 credentialed students = \$1,419,000). However, with HB 2394, incentive payments would be \$425,700 [(\$250 per credentialed student + \$50 average cost of credential assessment) X 1,419 credentialed students = \$425,700]. In *The FY 2016 Governor's Budget Report*, no expenditures are included in FY 2016 or FY 2017 for the

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incentive program in the budget of the Kansas Board of Regents. As a result, enactment of HB 2394 would require additional State General Fund expenditures in FY 2016 and FY 2017.

Sincerely,

A handwritten signature in black ink, appearing to read "Shawn Sullivan", with a horizontal line extending to the right.

Shawn Sullivan,
Director of the Budget

cc: Kelly Oliver, Regents