

February 2, 2015

The Honorable Steve Abrams, Chairperson
Senate Committee on Education
Statehouse, Room 224-E
Topeka, Kansas 66612

Dear Senator Abrams:

SUBJECT: Fiscal Note for SB 93 by Senate Committee on Education

In accordance with KSA 75-3715a, the following fiscal note concerning SB 93 is respectfully submitted to your committee.

SB 93 would eliminate the requirement from postsecondary career technical education performance-based funding that postsecondary educational institutions report to the Board of Regents the number of individuals that received general educational development (GED) while enrolled in an eligible career technical education program. In addition, a student would not be required to be dual enrolled in a GED credential program and an eligible career technical education program in order to be counted by an eligible postsecondary educational institution. Also, the bill would not exclude Johnson County Community College from being an eligible postsecondary educational institution.

| Estimated State Fiscal Effect | | | | |
|-------------------------------|----------------|----------------------|----------------|----------------------|
| | FY 2015 SGF | FY 2015 All Funds | FY 2016 SGF | FY 2016 All Funds |
| Revenue | -- | -- | -- | -- |
| Expenditure | -- | -- | -- | \$12,023,772 |
| FTE Pos. | -- | -- | -- | -- |

The Board of Regents notes that with the addition of Johnson County Community College and the elimination of the requirement for dual enrollment in both a GED credential program and a career technical education program additional students could be reported and funded under the program. During FY 2013, 3,586 GED credentials were awarded. In FY 2014 only 809 credentials were awarded because of changes in the test. As the new test is implemented, it is expected that the number of GED credentials awarded in FY 2015 will

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rebound to an estimated 2,750. The majority of GED tests are administered at a testing center affiliated with a postsecondary educational institution. Under the bill, the Board would reimburse institutions \$500 for each of these students (2,750 students X \$500 = \$1,375,000).

During FY 2014, postsecondary educational institutions eligible under this bill reported 12,554 students who earned industry recognized certificates, licenses and credentials and it is estimated that number will remain relatively constant. Under the bill, the Board would reimburse institutions \$1,000 for each of these students (12,554 students X \$1,000 = \$12,554,000).

FY 2015 is the first year of implementation and funding under current law. The State General Fund transfer for the Performance-Based Incentives program is \$1,905,228. The implementation of SB 93 would cost an additional \$10,648,772. Therefore, the total fiscal effect of SB 93 would be \$12,023,772 (\$1,375,000 + \$10,648,772). Any fiscal effect associated with SB 93 is not reflected in *The FY 2016 Governor's Budget Report*.

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, Board of Regents