

February 12, 2024

The Honorable Adam Thomas, Chairperson
 House Committee on Education
 300 SW 10th Avenue, Room 218-N
 Topeka, Kansas 66612

Dear Representative Thomas:

SUBJECT: Fiscal Note for HB 2539 by House Committee on Education

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2539 is respectfully submitted to your committee.

HB 2539 would amend the Kansas Promise Scholarship Act. Under current law, to be eligible for the Kansas Promise Scholarship, a student is required to be a Kansas resident and have been a resident of Kansas for three or more consecutive years when applying for the scholarship. The bill would remove both requirements. The bill would also modify the definition of “part-time student” by allowing a student who is enrolled in a five-credit hour certification program to be eligible for the scholarship.

Estimated State Fiscal Effect			
	FY 2024	FY 2025	FY 2026
Expenditures			
State General Fund	\$80,000	\$82,000	\$85,000
Fee Fund(s)	--	--	--
Federal Fund	--	--	--
Total Expenditures	--	--	--
Revenues			
State General Fund	--	--	--
Fee Fund(s)	--	--	--
Federal Fund	--	--	--
Total Revenues	--	--	--
FTE Positions	1.00	1.00	1.00

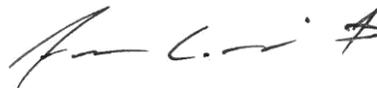
The Board of Regents notes that the bill still retains the requirement that to be eligible for the scholarship a student must have attended a Kansas public, private, or non-accredited private school to qualify, which would allow students who have attended a Kansas secondary school for less than three years to now qualify where they would not have before.

The Board states enactment of the bill would increase costs to both the scholarship awards and in staff time to administer the program. The increase in scholarship awards would be based on both the allowance of students who do not live in Kansas, but who have attended a Kansas high school in the prior 12 months and the allowance of students in five-credit hour certification programs. The Board indicates it cannot estimate the number of additional students who would qualify.

With the addition of the five-credit hour certification program, the Board states some of the programs that would now be eligible for the scholarship include certified nurse's assistants and certified medication aides. The Board estimates an additional \$1.4 million could be awarded to students in the additional programs, assuming a portion of the students are eligible for Pell grants. Because the Kansas Promise Scholarship Act is limited to \$10.0 million per year, the agency states more eligible applicants could be denied an award, rather than increasing the overall cost. The additional cost for the five-credit certification program provision is estimated based on 2023 enrollments in the newly eligible programs.

The Board estimates additional State General Fund expenditures of \$80,000 in FY 2024, \$82,000 in FY 2025, and \$85,000 in FY 2026 for an additional FTE position to implement the bill's provisions. Of the FY 2024 amount, \$72,000 would be for salaries and wages and \$8,000 would be other operating expenditures. The additional position would administer the changes for the scholarship. According to the Board, the addition of the five-credit certification program provision could double the volume of students being served and current staffing levels cannot absorb the additional workload. Any fiscal effect associated with HB 2539 is not reflected in *The FY 2025 Governor's Budget Report*.

Sincerely,



Adam C. Proffitt
Director of the Budget

cc: Becky Pottebaum, Board of Regents