

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5814-01
Bill No.: SB 848
Subject: Education, Higher; Education, Elementary and Secondary; Higher Education Department
Type: Original
Date: March 11, 2014

Bill Summary: This proposal requires the Department of Higher Education to establish a reimbursement procedure through the A+ Program for a student's portion of fees for dual enrollment courses.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	(Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on General Revenue Fund	(Unknown)	(Unknown)	(Unknown)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
A+ Schools Fund*	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

*Offsetting Transfers In and Disbursements are Unknown.

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on FTE	0	0	0

- Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).
- Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Joint Committee on Administrative Rules (JCAR)** stated this proposed legislation is not anticipated to cause a fiscal impact to JCAR beyond its current appropriation.

According to officials from the **Office of Secretary of State (SOS)**, many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS's office is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to Secretary of State's office for Administrative Rules is less than \$2,500. SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what their office can sustain with their core budget. Therefore, SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal with core funding. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

Officials from the **Department of Elementary and Secondary Education** defer to the Department of Higher Education for an estimate of fiscal impact for this proposed legislation.

Officials from the **Department of Higher Education (DHE)** state this bill makes several changes that reflect the transfer of the scholarship component of the A+ program to DHE which has already occurred. In addition, it requires DHE to establish a process to reimburse students that have attended an A+ designated high school for one year for the student's portion of fees for dual enrollment courses. As drafted, this would require several changes to the existing system that is used to administer the A+ scholarship program in order to be able to reimburse the cost of course work taken before high school graduation..

DHE assumes this proposal would be funded through the existing A+ scholarship appropriation. Since the bill does not mandate full funding of the program expansion, it does not have a direct fiscal impact on the DHE or the cost of the A+ scholarship program.

DHE also assumes this proposal would expand the pool of students eligible to receive payment

ASSUMPTION (continued)

from the A+ appropriation. Because DHE does not collect data on students engaged in dual enrollment course work, DHE cannot provide an estimate of the scope of expansion that would occur.

Oversight assumes that any fees that would be reimbursed under the provisions of this legislation would result in an additional appropriation request. Oversight does not know the number of students taking dual credit courses or if the amount of fees submitted for reimbursement would amount to over or under \$100,000 per year. For fiscal note purposes, fiscal impact will be shown as (Unknown).

Officials from the **Kansas City Public School District** assume little to no fiscal impact related to this proposal.

Officials from **St. Charles Community College** estimate one new full-time staff position would be required to coordinate the requirements of this proposed legislation. The estimated annual cost is \$55,000 for salary and benefits.

Officials from **Linn State Technical College** state there should be no fiscal impact to their college.

Oversight assumes administrative costs for colleges to implement this proposal can be absorbed with existing resources.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
GENERAL REVENUE			
<u>Transfer Out</u> - Department of Higher Education - A+ Scholarship Program	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
A+ SCHOOLS FUND			
<u>Transfer In</u> - General Revenue - A+ Scholarship Program	Unknown	Unknown	Unknown
<u>Costs</u> - Disbursement to students (fees)	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON A+ SCHOOLS FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2015 (10 Mo.)	 FY 2016	 FY 2017
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This proposed legislation requires the Department of Higher Education (DHE) to establish a procedure for the reimbursement of the student's portion of fees for any dual enrollment courses taken by the student. Students must attend an A+ designated public high school for one year, have made a good faith effort to secure available federal aid, and earn a minimal grade point average while in high school, as determined by DHE rule. DHE has authority to establish additional eligibility criteria for reimbursements.

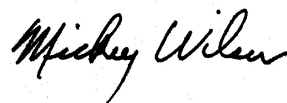
FISCAL DESCRIPTION (continued)

This proposal also replaces several references to the Commissioner of Education with the Department of Higher Education to reflect that the administration of A+ reimbursements was transferred by executive order to the Department of Higher Education.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Higher Education
Joint Committee on Administrative Rules
Office of Secretary of State
 Administrative Rules Division
Schools
 Kansas City Public Schools
Colleges
 St. Charles Community College
 Linn State Technical College



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