

June 15, 2022

Corey Carnahan
Secretary of the Senate
Kansas Senate
300 SW 10th Avenue, Room 325-E
Topeka, KS 66612

Dear Mr. Carnahan:

SUBJECT: Fiscal Note for SB 579 by Senate Committee on Federal and State Affairs

In accordance with KSA 75-3715a, the following fiscal note concerning SB 579 is respectfully submitted.

SB 579 would create the Homegrown Kansas Leadership Scholarship Act for any student attending a state university who is a resident of Kansas; and has been accepted for admission to or is enrolled in a course of instruction leading to licensure as a teacher; or is a licensed teacher who has been accepted for admission to, or is enrolled in, a course of instruction leading to a master's degree in the field of education. The bill would establish in the State Treasury the Homegrown Kansas Leadership Scholarship Fund to be administered by the Kansas Board of Regents. All expenditures from the fund would be for scholarship awards at 80.0 percent of the cost of tuition for each semester the student is enrolled. All monies received by Board and deposited in the fund would be in accordance with an appropriation act or from repayments remitted by a designated loan servicer or collection agency for a student's failure to satisfy service obligations.

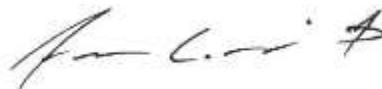
The Board would be required to adopt rules and regulations to implement and administer the program and establish terms, conditions and obligations incorporated into student service agreements. The terms, conditions and obligations of an agreement must be consistent with this the provisions of the bill and would include course completion, necessary licensure, and teaching on a full-time basis for a minimum of five years in Kansas in an accredited public or private elementary or secondary school within six months after licensure; or a minimum of four years for students earning a master's degree.

The bill would outline the circumstances under which a service obligation may be satisfied or postponed; or eligibility for financial assistance under the program may be terminated,

discharged, repaid, or forgiven for failure to satisfy the obligations included in the agreement. Repayment would equal the total amount of monies received by the student under the terms of the agreement plus accrued interest at a rate that is equivalent to the interest rate applicable to loans made under the federal PLUS program at the time the student first entered into an agreement. The amount of repayment would be adjusted proportionately for full years of the obligation that have been satisfied.

The Kansas Board of Regents indicates the enactment of SB 579 would require additional appropriations to award new scholarships; however, the number of students who may apply for the scholarship is unknown. The Board indicates the average cost of tuition for full-time students is \$6,950 and providing 80.0 percent of this cost, as required in the bill, would amount to \$5,560 per student. The Board indicates there were 14,483 students enrolled in education programs during the 2021 academic year and if 5.0 percent, or 724, of those students were awarded a scholarship under the Homegrown Kansas Leadership Scholarship Act, the projected cost could be over \$4.0 million ($\$5,560 \times 724 \text{ students} = \$4,025,440$). Any fiscal effect associated with SB 579 is not reflected in *The FY 2023 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam Proffitt", with a stylized flourish at the end.

Adam Proffitt
Director of the Budget

cc: Kelly Oliver, Board of Regents