

April 2, 2012

The Honorable Clay Aurand, Chairperson  
House Committee on Education  
Statehouse, Room 174-W  
Topeka, Kansas 66612

Dear Representative Aurand:

**SUBJECT:** Fiscal Note for HB 2664 by Representative Kiegerl

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2664 is respectfully submitted to your committee.

HB 2664 would create the Kansas Empowerment Scholarship Act, which would be administered by the Kansas Department of Education. The Department would establish a Kansas empowerment scholarship account for each qualified student whose parent satisfies the requirements of this bill, to provide options for the education of qualified students.

A qualified student would be defined as an exceptional child who has in effect or is eligible for an individualized education plan (IEP), and who: (1) was enrolled in public school during the previous school year; or (2) participated in the Kansas empowerment scholarship program during the previous school year and whose parent renews the scholarship program agreement.

The parent of a qualified student would enter into a written agreement with the State Department of Education and agree to the following: (1) to provide an education by any qualified school of the parent's choice; (2) to not enroll the qualified student in any school district, including any public charter school, and to release the resident district from any and all obligations for the student; and (3) to use the funds solely for the purposes set forth in the agreement.

Upon execution of an agreement, an account would be established in the name of the qualified student. The maximum annual amount shall be an amount equal to 90.0 percent of the amount of general state aid and supplemental state aid the resident district is entitled to receive per pupil for the preceding school year.

Funds in the account may be accessed by the student's parent and expended for: (1) tuition and fees; (2) textbooks and supplies; (3) educational therapies or services; (4) tutoring

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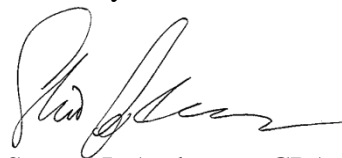
services; (5) curriculum materials; (6) tuition or fees charged by a private online learning program; (7) fees for any nationally standardized norm-referenced achievement test, advanced placement examination or other exam related to admission to a postsecondary institution; (8) contributions to a qualified state tuition program established pursuant to Section 529 of the IRS Code of 1986; (9) tuition or fees charged by a postsecondary institution; or (10) textbooks and supplies required by a postsecondary institution. The Department would conduct annual audits of a random sample of the scholarship funds.

The State Department of Education may receive an amount equal to not more than 3.0 percent of 90.0 percent of the general and supplemental general state aid the resident district would receive per pupil for the preceding school year for the administration of the scholarship program.

According to the Kansas Department of Education, the average general state aid and supplemental general state aid per pupil is \$4,980 for the 2012-2013 school year. If scholarships would be awarded to qualified students at the maximum amount (90.0 percent of total general and supplemental state aid per pupil) allowed in the bill, \$4,482 per pupil could be awarded. For illustrative purposes, if 50 students would be qualified for scholarships, an appropriation of \$224,100 from the State General Fund would be required during FY 2013 to fund the scholarships ( $\$4,980 \times .90 \times 50$  students). In addition, the Department would be eligible for 3.0 percent of this amount, or \$6,723, for administrative costs to implement the program. However, the total amount of funding required from the State General Fund would be determined by the exact number of qualified students, which is not yet known.

If any of the students identified would be currently enrolled in public schools utilizing the declining enrollment provision, there would be no reduction in general state aid and supplemental general state aid the first year. However, in the second year, there could be a slight reduction in general state aid and supplemental general state aid for those students receiving scholarships. Any fiscal effect associated with HB 2664 is not reflected in *The FY 2013 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven J. Anderson", written in a cursive style.

Steven J. Anderson, CPA, MBA  
Director of the Budget

cc: Dale Dennis, Education