

April 11, 2012

CORRECTED

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

Dear Representative Aurand:

SUBJECT: Corrected Fiscal Note for HB 2620 by House Committee on Education

In accordance with KSA 75-3715a, the following corrected fiscal note concerning HB 2620 is respectfully submitted to your committee.

HB 2620 would create the Excellence in Career Technical Education Act. The bill would provide that tuition for secondary students attending a postsecondary institution would be paid by the Board of Regents, rather than the student or the school district. The bill would establish a career technical education (CTE) incentive program for school districts. Under the program, the Board of Regents would award \$1,000 to a district for each secondary student who graduates from high school with a CTE certificate in an occupation identified by the Secretary of Labor as one with the highest need for additional skilled employees. In addition, the bill would allow community colleges and technical colleges to apply to the Board of Regents for permission to establish a CTE program open to secondary students outside of the college's service area if the CTE program is not currently being offered in that service area.

In addition, the bill would establish CTE state aid payments for school districts. The weighting for CTE would no longer exist as in the current formula, but the bill would replace it with a funding formula to be determined by the State Board of Education. The Board would be required to consider the number of CTE programs that offer certification, the number of agriculture CTE programs, and the need to transport pupils to postsecondary institutions. State aid would not be available for secondary CTE programs that are duplicative and located within 30 miles of a program offered by a postsecondary institution. Whether a CTE program is considered duplicative and whether the postsecondary institution has sufficient capacity would be determined by the Board. The bill would become effective upon publication in the statute book.

Enactment of HB 2620 would require total expenditures of \$49,960,952 from the State General Fund in FY 2013. Of this amount, \$20.5 million would be for the Kansas Board of

The Honorable Clay Aurand, Chairperson

April 11, 2012

Page 2—2620 Corrected

Regents and \$29,460,952 would be for the Kansas Department of Education. The following table summarizes these expenditures:

Governor's Career and Technical Education (CTE) Initiative Expenditures

Kansas Board of Regents

Tuition for High School CTE Students	\$ 17,500,000
Incentive Payments for High Schools	3,000,000

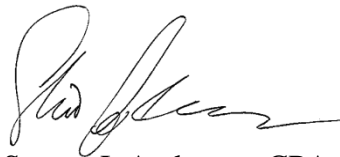
Kansas Department of Education

CTE State Aid to School Districts	28,910,952
CTE Transportation Expenditures	500,000
CTE Promotion	<u>50,000</u>

Total FY 2013 Governor's CTE Initiative Expenditures \$ 49,960,952

The Division of the Budget notes that of the total \$49,960,952 in CTE expenditures, \$21,050,000 would be considered new expenditures. In the original fiscal note, an amount of \$8.0 million was erroneously included for the tiered technical education formula, which should not have been included as part of the Governor's CTE initiative total. The amount estimated for CTE State Aid to School District expenditures in the Kansas Department of Education was previously included in the General State Aid appropriation from the State General Fund. However, beginning with the Governor's proposed budget for FY 2013, there would be a separate line-item appropriation for CTE state aid expenditures, while the amount of aid payments would remain the same that would have been derived from the school finance formula. All expenditures outlined in the table above have been included in *The FY 2013 Governor's Budget Report*.

Sincerely,



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

cc: Dale Dennis, Education