

February 15, 2023

The Honorable Sean Tarwater, Chairperson  
House Committee on Commerce, Labor and Economic Development  
300 SW 10th Avenue, Room 346-S  
Topeka, Kansas 66612

Dear Representative Tarwater:

**SUBJECT:** Fiscal Note for HB 2400 by House Committee on Commerce, Labor and Economic Development

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2400 is respectfully submitted to your committee.

HB 2400 would enact the Kansas Adult Learner Act to be administered by the Kansas Board of Regents. The Act would provide grants to Kansas residents who are at least 25 years of age and who are enrolled at least part-time in a baccalaureate program at a state university, Washburn University, or any not-for-profit accredited institution in Kansas in one of the following fields of study: information technology and security; healthcare and nursing; science, engineering, aerospace and advanced manufacturing; education, early childhood education and development; business, accounting and data analytics; or one additional program designated by the institution that corresponds to a high wage, high demand or critical need occupation. An institution designating an additional program must meet additional requirements.

The grant would be subject to appropriations and the aggregate amount of tuition, required fees and the cost of books and required materials, less the aggregate amount of all other aid awarded, up to a maximum grant award of \$3,000 per semester, except the amount would be prorated if the student is not enrolled full-time. The bill would state that aid would include any grant, scholarship or financial assistance awards that do not require repayment. The bill would limit appropriations for the program to \$1.0 million for both FY 2024 and FY 2025, and 150.0 percent of the amount disbursed for the immediately preceding fiscal year for FY 2026 and each subsequent fiscal year.

A student would qualify for a Kansas Workforce Retention Incentive Payment of up to \$3,000 if the student demonstrates they (1) successfully completed their program with the awarding of their degree; (2) have resided in Kansas for at least two consecutive years following

completion or commenced service as a military servicemember; and (3) are currently employed in the state, have enrolled as a full-time or part-time student in an eligible postsecondary educational institution or have commenced service as a military servicemember. The bill would create the Kansas Adult Learner Grant Program Fund in the State Treasury to be administered by the Board of Regents in accordance with appropriation acts and with all expenditures from the fund for grants and incentive payments.

The grant would be awarded to students whose family household income equals \$100,000 or less for a family of two; \$150,000 or less for a family of three; and, for household sizes above three, a household income that is equal to or less than \$150,000 plus \$4,800 for each additional family member. If scholarship monies remain in the Kansas Adult Learner Grant Program Fund during the award year after awarding all other scholarships, grants may be awarded to eligible students whose family household income exceeds the applicable amounts. Students may continue receiving the grant for up to 60 months after the date the scholarship was first awarded or upon graduation, whichever comes first, so long as the student maintains satisfactory academic progress toward program completion.

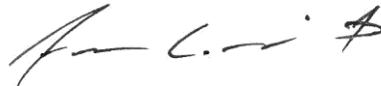
The Board of Regents would be required to adopt rules and regulations to implement and administer the program by March 1, 2024, which must establish grant application forms and deadlines; grant terms, conditions, and requirements; procedures for requesting and approving a student's leave of absence; and criteria for determining resident and employment requirements for workforce retention incentive payments. The Board would also be required to do the following:

1. Identify the adult learner grant eligible programs;
2. Work with community partners to publicize Kansas adult learner grants;
3. Disburse funds to each eligible postsecondary educational institution;
4. Request information from eligible postsecondary educational institutions necessary for the administration of the Act;
5. Develop application forms and criteria for retention incentive payment amount levels consistent with the goal of developing and retaining the Kansas workforce;
6. Administer verification and payment to Kansas adult learner grant recipients who qualify for a retention incentive payment; and
7. Annually evaluate the program and prepare and submit a report to the Senate Committee on Education, Senate Committee on Commerce, House Committee on Education and House Committee on Commerce, Labor and Economic Development beginning January 1, 2025.

The Kansas Board of Regents indicates the enactment of HB 2400 would increase its annual administrative expenditures by \$187,427 from the State General Fund beginning in FY 2024 which includes \$130,000 for salaries, \$41,427 for benefits and \$16,000 for other operating expenditures for 2.00 FTE positions that would be required to administer the Kansas Adult Learner

Grant Program. The additional duties required to administer the program would include creating rules and regulations, awarding scholarships to eligible students, tracking scholarship recipients, and collecting any potential repayments from students who did not fulfill the requirements of the scholarship agreement. The Board indicates that a State General Fund appropriation of \$1.0 million would allow it to award the maximum \$3,000 scholarship to approximately 166 students in both FY 2024 and FY 2025. The Board estimates it would be allowed to award the maximum \$3,000 scholarship to approximately 111 students in each subsequent year when the appropriation would be limited to 150.0 percent of the amount disbursed for the immediately preceding fiscal year. Any fiscal effect associated with HB 2400 is not reflected in *The FY 2024 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: Becky Pottebaum, Board of Regents