

February 15, 2024

The Honorable Kristey Williams, Chairperson
House Committee on K-12 Education Budget
300 SW 10th Avenue, Room 546-S
Topeka, Kansas 66612

Dear Representative Williams:

SUBJECT: Fiscal Note for HB 2717 by House Committee on K-12 Education Budget

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2717 is respectfully submitted to your committee.

HB 2717 would establish requirements for the determination of Virtual School State Aid for adult students. When determining Virtual School State Aid for certain adult students, the State Board of Education would:

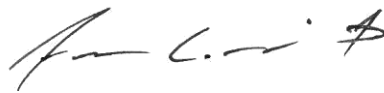
- Determine the number of credit courses reported on the Kansas collection (KCAN) report that adult students have passed to meet the minimum graduation requirements established by the State Board of Education or the local school board;
- Validate course completion using official student transcripts; and
- Multiply the total number of courses by \$709, not to exceed six credit courses per school year.

The State Board of Education would not be allowed to deduct any Virtual School State Aid that would be entitled to the school district for any courses that were completed by adult students in any school year that precedes the year in which the aid is determined. If the Board would deduct any Virtual School State Aid that would be entitled, the deduction could only be made with respect to individual courses completed. The Board would also be required to publish any audit methodology to determine and verify Virtual School State Aid entitlements on its website.

According to the Department of Education, the provisions in the bill regarding auditing, reporting, and verification would not have a fiscal effect on its operations. However, the agency indicates that the provisions related to reimbursements requiring the funding credits earned in any preceding school year could increase school district Virtual State Aid entitlements.

Currently, districts are reimbursed for credits earned only in the prior year and are subject to a six-credit maximum reimbursement. HB 2717 would allow districts to request reimbursement for credits earned in any prior year. For example, if a district required 21 credits, a student could earn all 21 credits in one year and the district could submit those 21 credits in increments of six credits over four years. This scenario would allow districts to claim a full-time student each year, rather than receiving the maximum of 6 credits in one year. The Department is unable to estimate the fiscal effect of this provision; however, it may result in an increase in state aid entitlements by districts. Any fiscal effect resulting from the enactment of the bill is not included in *The FY 2025 Governor's Budget Report*.

Sincerely,

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

Adam C. Proffitt
Director of the Budget

cc: Gabrielle Hull, Department of Education
Angie Stallbaumer, Kansas Association of School Boards