

February 9, 2012

The Honorable Jean Schodorf, Chairperson
Senate Committee on Education
Statehouse, Room 236-E
Topeka, Kansas 66612

Dear Senator Schodorf:

SUBJECT: Fiscal Note for SB 393 by Senate Committee on Education

In accordance with KSA 75-3715a, the following fiscal note concerning SB 393 is respectfully submitted to your committee.

SB 393 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 SB 393 would require total expenditures of \$57,960,952 from the State General Fund in FY 2013. Of this amount, \$28.5 million would be for the Kansas Board of Regents and \$29,460,952 would be for the Kansas Department of Education. The following table summarizes these expenditures:

Career and Technical Education (CTE) Expenditures

Kansas Board of Regents

Tiered Technical Education Formula	\$ 8,000,000
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 CTE Expenditures \$ 57,960,952

The Division of the Budget notes that of the total \$57,960,952 in CTE expenditures, \$29,050,000 would be considered new expenditures. 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