

March 21, 2014

The Honorable Ty Masterson, Chairperson
Senate Committee on Ways and Means
Statehouse, Room 545-S
Topeka, Kansas 66612

Dear Senator Masterson:

SUBJECT: Fiscal Note for SB 432 by Senate Committee on Ways and Means

In accordance with KSA 75-3715a, the following fiscal note concerning SB 432 is respectfully submitted to your committee.

SB 432 would be known as the SUCCESS Act and would require the boards of trustees for Cloud County Community College and Fort Scott Community College, respectively, to work with the Board of Regents, state educational institutions, technical colleges, and school districts to develop a detailed plan to provide educational programs that will integrate career technical education from the secondary education level through attainment of a postsecondary industry certification or an advanced degree. The plan would be to expedite the learning process to directly benefit students and technology-driven employers by helping students attain their educational goals as soon as possible and helping employers meet their workforce needs. During the first six months of 2016, the counties would vote on the continuation of funding for the SUCCESS Act. If the funding is not approved, the community college would be funded from other sources of revenue as provided by law. The boards of trustees for both Cloud County Community College and Fort Scott Community College would be required to report in January of 2015 and 2016 to the Governor and the Legislature, and describe the progress made in the previous year on development and implementation of the plan.

SB 432 would appropriate for Cloud County Community College \$2.5 million and for Fort Scott Community College \$2.1 million from the State General Fund in both FY 2015 and FY 2016. In addition, \$700,000 would be appropriated in FY 2015 for development and implementation of the program. The funding would go to the Board of Regents. During this two-year period the counties participating in the SUCCESS program could not levy any tax on the taxable tangible property of the community college districts.

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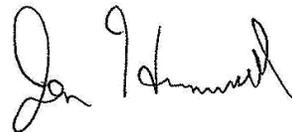
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Estimated State Fiscal Effect				
	FY 2014 SGF	FY 2014 All Funds	FY 2015 SGF	FY 2015 All Funds
Revenue	--	--	--	--
Expenditure	--	--	\$5,300,000	\$5,300,000
FTE Pos.	--	--	--	--

SB 432 would cost \$5.3 million from the State General Fund in both FY 2015 and FY 2016. Any fiscal effect associated with SB 432 is not reflected in *The FY 2015 Governor's Budget Report*.

SB 432 would have a fiscal effect local government. The selected community college would be authorized to levy a tax on the taxable tangible property of the community college district only in an amount that could not exceed the difference between the amount levied by the trustees for FY 2014 and the amount of funds distributed to the college in FY 2015. Therefore, property taxes for this purpose could be reduced or suspended as long as the college participated in the program. In addition, there would be a cost associated with the special election. For example, Riley County recently calculated that it would cost \$40,000 to hold a special election. Because of the number of options identified in the bill, the precise fiscal effect on local government cannot be determined.

Sincerely,



Jon Hummell,
Interim Director of the Budget

cc: Kelly Oliver, Board of Regents
Steve Neske, Department of Revenue
Melissa Wangemann, Association of Counties