

March 19, 2015

REVISED

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

Dear Senator Masterson:

SUBJECT: Revised Fiscal Note for SB 193 by Senate Committee on Ways and Means

In accordance with KSA 75-3715a, the following revised fiscal note concerning SB 193 is respectfully submitted to your committee.

SB 193 would require that on or before January 1, 2016, each postsecondary educational institution would have to publish a single-page degree prospectus for each degree offered by the institution. It would summarize information and statistics on each degree program. The bill lists the information that must be included in the degree prospectus, which would have to be updated each year. Institutions would offer each graduate \$100 as an incentive to provide information that would be needed for the prospectus. The bill outlines duties for the Kansas Board of Regents and the Advisory Commission on Private and Out-of-State Postsecondary Educational Institutions.

Estimated State Fiscal Effect				
	FY 2015 SGF	FY 2015 All Funds	FY 2016 SGF	FY 2016 All Funds
Revenue	--	--	--	--
Expenditure	--	--		\$2,278,800 for staff, benefits and IT \$1,084,800 to \$3,254,500 for incentive payments (25% to 75% of graduates) Total: \$3,363,600 to \$5,533,300
FTE Pos.	--	--	--	unknown

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SB 193 would increase costs for state universities, Washburn University, community colleges and technical colleges. Although similar information is collected for some areas, the bill, in either form, is prescriptive in its requirements. In order to create a degree prospectus for every degree program in the format required by the bill, in either form, and to keep the data current every year, additional staffing may be needed at the postsecondary educational institutions. According to the Board of Regents, the total cost of additional staff salary and benefits is estimated at \$2,006,200. Institutions may also incur additional expenses of approximately \$272,600 for other operating costs and possible IT system enhancements.

Postsecondary educational institutions may, but are not required, to offer \$100 incentive payments to graduates who provide information to create the degree prospectus. Incentive payments could only be paid to those graduates that fully comply with the process used by institutions to collect the necessary information. In academic year 2014, the state universities, Washburn University, community colleges and technical colleges awarded 43,394 degrees. Those degrees included certificates and associate, bachelor, master and doctoral degrees. If it is assumed that 25.0 percent of the academic year 2014 graduates receive the incentive payments, institutions could incur costs of \$1,084,800 ($\$100 \times 10,848$). If it is assumed that 50.0 percent of the academic year 2014 graduates receive the incentive payments, institutions could incur costs of \$2,169,700 ($\$100 \times 21,697$). If it is assumed that 75.0 percent of the graduates received incentive payments, universities could potentially process incentive payments totaling \$3,254,500 to graduates ($\$100 \times 32,545$).

The total additional costs as a result of the bill, in either form, on the public postsecondary educational institutions would range from \$3,363,600 to \$5,533,300 for staff, other operating expenses and incentive payments. To date, no appropriation has been passed or recommended relating to SB 193 and it is assumed that universities would have to handle the costs within existing resources and staff. Any fiscal effect associated with SB 193 is not reflected in *The FY 2016 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Shawn Sullivan", with a horizontal line extending to the right.

Shawn Sullivan,
Director of the Budget

cc: Kelly Oliver, Regents