

March 1, 2023

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 2359 by Representatives K. Williams and Landwehr

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2359 is respectfully submitted to your committee.

HB 2359 would establish the Sunflower Teacher-Student Program, pairing secondary students interested in pursuing a teaching career with mentor teachers. The program would be administered by the State Board of Education, the Treasurer, and the boards of education of the participating school districts. The program would sunset on July 1, 2027, unless otherwise extended by the Legislature.

Beginning in school year 2024-2025, each school district participating in the program would be required to establish a process for licensed teachers in the district to identify and recommend students for participation in the program. An “eligible student” would be defined as a student enrolled in any of the grades seven through 11 at a participating school district who is identified and recommended for participation in the program by a teacher-led process for identification and recommendation of students. Up to five students from each of the grades seven through grade 11 from no more than three middle schools and two high schools could participate in the program each school year from each participating district. A participating school district would be defined as USD 457—Garden City; USD 229—Blue Valley; one school district classified by the Kansas State High School Activities Association (KSHSAA) as 4A, 5A or 6A that would be selected by the State Board of Education (which would be directed to select school districts from different geographic regions of the state); and one school district classified by KSHSAA as 1A, 2A or 3A that would be selected by the State Board of Education (which would be directed to select school districts from different geographic regions of the state).

Participating school districts would be required to establish an application process for licensed teachers to become mentors. Each mentor would be eligible to receive \$500 for each semester of the school year in which the teacher participates as a mentor.

The bill would establish the Sunflower Teacher-Student Mentor Program Task Force, comprising the following members: one member appointed by USD 457—Garden City; one member appointed by USD 229—Blue Valley; one member appointed by selected school district classified by the Kansas State High School Activities Association (KSHSAA) as 4A, 5A, or 6A; and one member appointed by the selected school district classified by KSHSAA as 1A, 2A, or 3A. If USD 457—Garden City or USD 229—Blue Valley would choose not to participate in the program, the school district otherwise selected by the State Board of Education for participation in the program would appoint a member.

A program account would be established through the State Treasurer for each participating student for qualifying tutoring programs and services in mathematics and English language arts. The bill would specify that tutoring services may be provided by an independent or private tutoring service; or a licensed teacher who agrees to provide tutoring services outside of the teacher's school employment contract, or pursuant to a supplemental teaching contract subject to a maximum hourly rate of pay.

On or before August 1 of each year, the State Treasurer would determine the amount to be transferred to the Sunflower Teacher-Student Mentor Program Fund (established by the bill) by multiplying the total number of participating students in the program by \$500. Any funds remaining in an account would roll over to the next succeeding school year. Students that participate in the program for three or more school years who have funds remaining in a student account may enter a written agreement with the State Treasurer to maintain the account for tuition, fees, books, and materials required for any postsecondary educational institution in the state.

On or before December 31, 2024, and by each subsequent December 31, the State Board of Education would be required to prepare and submit a report on the program to the Legislature. The report would provide the number of students participating in the program, a summary of the academic achievement improvement that students experience under the program, a summary of the longevity of student participation in the program, reports, and first-hand accounts from participating mentors regarding the success of the program, and any other information the State Board of Education would deem relevant.

The bill would amend the Teacher Service Scholarship Program and Promise Scholarship Act to give scholarship award priority to students that participated in the Sunflower Teacher-Student Mentor Program.

The bill would require the State Treasurer to monitor expenditures from program accounts and to notify the parent of any non-qualifying expenditures. If the State Treasurer would determine funds in an account have been used for non-qualifying expenditures, the bill would authorize the State Treasurer to take certain actions including prohibiting further expenditures or terminating an account. The bill would require the State Treasurer to conduct audits of accounts to ensure compliance with program requirements, and would authorize additional audits, as needed. The bill would authorize the Treasurer to contract with a third party to establish an electronic account maintenance and payment system for the accounts. The bill would require the Treasurer to post

and maintain on the Treasurer's website information about the program and the requirements for participation.

Finally, the bill would authorize the State Board of Education and the Treasurer to adopt rules and regulations necessary to carry out the provisions of the bill. The State Treasurer's actions under this bill would be subject to the Kansas Administrative Procedure Act and would be reviewable under the Kansas Judicial Review Act.

According to the Department of Education, HB 2359 would provide for a total of up to 170 students to participate, each with a teacher mentor. This estimate is calculated using five students from each of grades seven through 11 in three middle schools and two high schools in each of the four participating districts. However, the Department notes that not all of the selected districts would have that many schools. If two districts have the maximum number of schools allowed and two have one high school and one middle school, a total of eight middle schools and six high schools would participate. The middle schools would have a maximum of 80 students participating (10 students X 8 schools = 80 participating middle school students). The high schools would have a maximum 90 students participating (15 students (in grades nine, ten, and 11) X 6 schools = 90 participating high school students). In all, the Department estimates that a maximum of 170 students could participate each year (80 from middle schools and 90 from high schools), each with a teacher mentor. Each of the up to 170 students would receive \$500 per year for tutoring services for a transfer of up to \$85,000 each year from the State General Fund into student accounts with the State Treasurer (170 students X \$500 per year = \$85,000). The Division of the Budget would assume this would be a revenue transfer from the State General Fund to the State Treasurer, as the bill does not specify a demand transfer.

In addition, up to 170 teacher mentors would be paid a bonus of \$500 per semester for a total of \$170,000 ($\$500 \times 2 \text{ semesters} \times 170 \text{ teacher mentors} = \$170,000$). The Division of the Budget notes that HB 2359 would include a FY 2024 State General Fund appropriation of \$240,000 to the Department of Education for teacher mentor bonus payments.

The Department of Education estimates that the agency would need 0.5 FTE Program Coordinator to prepare the necessary reports and to assist school districts and the State Treasurer. The cost for this position would be \$38,750, including \$36,250 for salaries and wages (including fringe benefits) and other operating expenditures of \$2,500, including information technology expenditures and office rent. The Division of the Budget notes that the State General Fund appropriation provided in the bill would cover both the cost of the teacher mentor bonus payments to school districts, as well as the Department's administration costs for the program.

The State Treasurer indicates that the fiscal effect of the bill would depend on the availability of third-party vendors to provide account maintenance, payments, and auditing services. Given the numbers of potential accounts that would be authorized by the bill, the agency would assume that all administrative functions of the student accounts would be performed by the agency. With this assumption, the agency would need to hire 1.00 FTE Program Manager to perform most of the additional workload associated with this program, with an estimated annual cost of \$82,600 for salaries and wages (including fringe benefits).

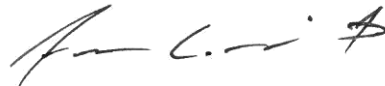
The program would also require additional legal and auditing services; however, the State Treasurer anticipates these services could be performed within existing resources. The agency would incur increased costs for marketing, postage, and printing; however, a fiscal effect estimate cannot be made and would depend on the services to be provided by other agencies and vendors. If additional employees were required, the additional staff would require additional funding to cover salaries and benefits, computer and office equipment, and similar items.

The Department of Administration indicates that as long as the State Treasurer would be responsible for the individual student accounts, no additional costs would be incurred by the agency.

The Kansas Board of Regents reports that the enactment of the bill would increase the amount of time that the agency's staff would spend administering the various scholarship programs outlined in the bill; however, this additional administrative cost would be negligible and implemented with existing budget resources.

The Division of the Budget notes that the bill would provide a subtraction modification to federal adjusted gross income for amounts deposited in a Sunflower Teacher-Student Mentor Program account for all taxable years beginning after December 31, 2022. The Department of Revenue indicates that the bill would require \$45,055 from the State General Fund in FY 2024 to implement the bill and to modify the automated tax system. The required programming for this bill by itself would be performed by existing staff of the Department of Revenue. In addition, if the combined effect of implementing this bill and other enacted legislation exceeds the Department's programming resources, or if the time for implementing the changes is too short, additional expenditures for outside contract programmer services beyond the Department's current budget may be required. Any fiscal effect associated with HB 2359 is not reflected in *The FY 2024 Governor's Budget Report*.

Sincerely,



Adam Proffitt
Director of the Budget

cc: Craig Neuenswander, Department of Education
John Hedges, Office of the State Treasurer
Tamara Emery, Department of Administration
Becky Pottebaum, Board of Regents
Lynn Robinson, Department of Revenue