

March 13, 2019

REVISED

The Honorable Steve Huebert, Chairperson
House Committee on Education
Statehouse, Room 286-N
Topeka, Kansas 66612

Dear Representative Huebert:

SUBJECT: Revised Fiscal Note for HB 2256 by Representative Hodge

In accordance with KSA 75-3715a, the following revised fiscal note concerning HB 2256 is respectfully submitted to your committee.

HB 2256 would create the Community Leaders Service Act to allow local school boards of education to establish a community leaders service program for students enrolled in the district. The district would enter into agreements with a community organization located in the district with preference given to any community organization that is a local senior citizens center, providing delivery of senior citizen meals and home and community based services programs. The agreements must include the following:

1. A description of the community leaders service class to be provided by the school district and taught by personnel from the community organization;
2. Terms and conditions for the assignment of students to work with the community organization in providing services that do not require a professional license, certification or permit under the Kansas Statutes Annotated;
3. Terms and conditions for a student participating in the program to earn money for his or her college savings account;
4. Terms and conditions for the establishment of a college savings account for each student participating in the program; and
5. Terms and conditions for payments from a college savings account to a public or private postsecondary educational institution.

Any student enrolled in grades nine through 12 in a district which has established a community leaders service program may participate. The class must be conducted in accordance with the agreement between the district and the organization. The curriculum must include the information that the community organization deems necessary for students to successfully complete the program and must be taught by personnel of the community organization. Any student that passes the community leaders service class is eligible to work with the community organization in providing services that assist elderly individuals with activities of daily living, including, but not limited to, transportation, meal service or delivery and housekeeping tasks.

The community organization would be required to submit a report of the hours worked for each student to the district on a monthly basis. Upon receipt of the monthly report, the school district would submit payment to the community organization to deposit, less the community organization's administrative fee, in the college savings account established by the community organization. The community organization may deduct up to 5.0 percent of the amount received from the school district as reimbursement for the administrative costs of establishing and maintaining student college savings accounts.

The work rate for hours completed by the student is \$15.00 per hour for the 2019-2020 school year. For the 2020-2021 school year and each school year thereafter, the work rate would be the rate established for the immediately preceding school year plus an amount equal to the increase in the Consumer Price Index (CPI) for all urban consumers in the Midwest region as published by the Bureau of Labor Statistics of the United States Department of Labor. Upon graduation from high school, the student would be eligible to withdraw monies from their college savings account to be used only for tuition, fees, textbooks and any other curriculum supplies charged by a public or private postsecondary educational institution located in Kansas. Any monies remaining in a college savings account that is terminated must be remitted by the community organization to the school district for deposit in the district's general fund.

Since the original fiscal effect statement was issued, the Department of Revenue has provided information on the fiscal effect of HB 2256. The Department indicates it does not have sufficient information to estimate the tax effects of amounts distributed into a college savings account established on behalf of a taxpayer by agreement between a school district and a community organization under the provisions of this bill. However, the Department indicates it would require a total of \$258,995 from the State General Fund in FY 2020 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 and outside contract programmer services. 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.

The State Department of Education indicates HB 2256 would not require any additional State General Fund appropriation, but would increase expenditures for school districts by approximately \$3.9 million annually, plus CPI, for payments to students. The estimate assumes 1,000 students successfully pass the community leaders service class and work in the program by

assisting elderly Kansans with daily living activities. The Department for Aging and Disability Services indicates HB 2256 could have a fiscal effect on its operation if community providers are required to do background checks on participating students; however, a precise fiscal effect cannot be determined. Any fiscal effect associated with HB 2256 is not reflected in *The FY 2020 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "L. L. Campbell". The signature is fluid and cursive, with a large initial "L" and a long, sweeping underline.

Larry L. Campbell
Director of the Budget

cc: Dale Dennis, Education
Kelly Oliver, Board of Regents
Lynn Robinson, Department of Revenue
Peter Northcott, Office of the Treasurer
Cody Gwaltney, Aging & Disability Services
Chardae Caine, League of Municipalities
Jay Hall, Association of Counties
Dawn Palmberg, Department of Labor