

March 25, 2019

The Honorable Sean Tarwater, Chairperson
House Committee on Commerce, Labor and Economic Development
Statehouse, Room 151-S
Topeka, Kansas 66612

Dear Representative Tarwater:

SUBJECT: Fiscal Note for HB 2312 by Representative Hodge

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2312 is respectfully submitted to your committee.

HB 2312 would create the Rural Revitalization Student Loan Repayment Program to be administered by the Secretary of Commerce. The Program would provide for the repayment of student loans for eligible individuals that establish domicile in a rural county. An eligible individual may enroll and continue participation in the program for 20 years unless the eligible individual relocates outside of a rural county at which point the individual forfeits his or her eligibility. The Program would be subject to appropriations and if the amount of appropriations for the Program is insufficient to pay in full the amount of student loans of eligible individuals in any year, the Secretary would be required to prorate the amount appropriated among all eligible individuals. The Secretary would be required to adopt rules and regulations necessary to administer the Program. The bill includes definitions for "eligible individual," "institution of higher education," "rural county," and "student loan."

The Department of Commerce estimates HB 2312 would require \$42,125 from the State General for a 0.50 FTE position to administer the Rural Revitalization Student Loan Repayment Program. The Department provided no estimate for student loan repayment. The bill provides that the Program would be subject to appropriations and prorated if the amount appropriated is insufficient to cover the full cost. The fiscal effect will be updated if additional information is provided by the Board of Regents. Any fiscal effect associated with HB 2312 is not reflected in *The FY 2020 Governor's Budget Report*.

Sincerely,



Larry L. Campbell
Director of the Budget

cc: Sherry Rentfro, Commerce
Kelly Oliver, Board of Regents