

**COMMONWEALTH OF KENTUCKY STATE FISCAL NOTE STATEMENT
LEGISLATIVE RESEARCH COMMISSION
2016 REGULAR SESSION**

MEASURE

2016 BR NUMBER **0999**

HOUSE BILL NUMBER **626/GA**

RESOLUTION NUMBER _____

AMENDMENT NUMBER _____

SUBJECT/TITLE **An ACT relating to postsecondary financial aid and making an appropriation therefor.**

SPONSOR **Representative Stumbo**

NOTE SUMMARY

FISCAL ANALYSIS: IMPACT NO IMPACT INDETERMINABLE IMPACT

LEVEL(S) OF IMPACT: STATE LOCAL FEDERAL

BUDGET UNIT(S) IMPACT: **Kentucky Higher Education Assistance Authority and Kentucky Community and Technical College System**

FUND(S) IMPACT: GENERAL ROAD FEDERAL RESTRICTED AGENCY _____ OTHER

FISCAL SUMMARY

FISCAL ESTIMATES	2015-2016	2016-2017	2017-2018	ANNUAL IMPACT AT FULL IMPLEMENTATION
REVENUES				
EXPENDITURES		\$13,000,000	\$20,000,000	Indeterminable
NET EFFECT		(\$13,000,000)	(\$20,000,000)	(Indeterminable)

() indicates a decrease/negative

MEASURE'S PURPOSE: HB 626/GA creates a new section of KRS Chapter 164 to establish the Work Ready Kentucky Scholarship Program. House Bill 626/GA would grant a 'last dollar in' scholarship to all Kentucky high school graduates to fully pay tuition and mandatory fees at any Kentucky Community and Technical College System (KCTCS) institution.

PROVISIONS/MECHANICS: Section 1 creates a new section of KRS Chapter 164 to establish the Work Ready Kentucky Scholarship Program and define terms. Specifically, it mandates that Kentucky Higher Education Assistance Authority (KHEAA) shall administer the program. The measure requires KHEAA to promulgate administrative regulations, and sets eligibility requirements for the scholarship. The amount awarded to eligible students shall be the amount of tuition remaining after all federal and state grants and scholarships are subtracted. The measure also specifies that any balance remaining in the scholarship fund is to be carried over to the next year to be appropriated for future Work Ready Kentucky Scholarships.

FISCAL EXPLANATION:

KCTCS projected costs based on actual 2014-2015 student enrollment data from the 16 KCTCS colleges multiplied by the in-state tuition and mandatory fees resulting in a projected cost of approximately

\$13,000,000. It was estimated that 3,227 students enrolled in 2014-2015 would have been eligible for the Work Ready Scholarship. Assuming 24 credit hours per year at a cost of \$168 per credit hour results in a total possible cost of \$13,011,264. This would have been a maximum cost in fiscal year 2014-2015, and is considered a base estimate for fiscal year 2016-2017. Due to a likely increase in enrollment, KCTCS estimates costs in fiscal year 2017-2018 to be at least \$20,000,000. The annual impact of the scholarship program in future years will depend on future demand and the resulting enrollment, which is interminable based on current data.

DATA SOURCE(S): Kentucky Community and Technical College System

PREPARER: Jennifer Krieger NOTE NUMBER: 157 REVIEW: JRS DATE: 3/22/2016

LRC 2016-BR0999-HB626/GA