

**COMMONWEALTH OF KENTUCKY FISCAL NOTE STATEMENT  
LEGISLATIVE RESEARCH COMMISSION  
2021 REGULAR SESSION**

**MEASURE**

2021 BR NUMBER 1339

HOUSE BILL NUMBER 383

**TITLE** AN ACT relating to scholarships.

**SPONSOR** Representative Bobby McCool

**FISCAL SUMMARY**

STATE FISCAL IMPACT:  YES  NO  UNCERTAIN

OTHER FISCAL STATEMENT(S) THAT MAY APPLY:  ACTUARIAL ANALYSIS  
 LOCAL MANDATE  CORRECTIONS IMPACT  HEALTH BENEFIT MANDATE

APPROPRIATION UNIT(S) IMPACTED: Kentucky Higher Education Assistance Authority

FUND(S) IMPACTED:  GENERAL  ROAD  FEDERAL  RESTRICTED \_\_\_\_\_

FISCAL ESTIMATES	2020-2021	2021-2022	ANNUAL IMPACT AT FULL IMPLEMENTATION
REVENUES			
EXPENDITURES		\$22,700,000	Indeterminable
NET EFFECT		(\$22,700,000)	(Indeterminable)

( ) indicates a decrease/negative

**PURPOSE OF MEASURE:** The bill modifies statutory language for the Dual Credit Scholarship Program, eliminates the Work Ready Kentucky Scholarship Program, and creates the Better Kentucky Promise Scholarship Program.

**FISCAL EXPLANATION:** Section 1 codifies existing budget language to expand the Dual Credit Scholarship program, therefore, there is no fiscal impact from Section 1.

Section 2 eliminates the Work Ready Kentucky Scholarship Program (Work Ready) and replaces it with the Better Kentucky Promise Scholarship Program (Better Kentucky Promise), which is similar to Work Ready but expands eligibility for areas of study beyond Kentucky’s top five high demand workforce sectors.

Work Ready is funded at \$7.3 million in FY 21, and the Kentucky Higher Education Assistance Authority (KHEAA) estimates that it would require a total of \$30 million to fund the full application cycle for the Better Kentucky Promise in FY 22. Assuming the existing appropriation of \$7.3 million for Work Ready would be committed to the Better Kentucky Promise in FY 22, KHEAA would require an additional \$22.7 million to fully fund Better Kentucky Promise in FY 22.

It should be noted that KHEAA has stated they will close student applications for Better Kentucky Promise when the amount appropriated to the program in the applicable budget bill has been exhausted. Estimates to fund the full application cycle in future fiscal years would be dependent on the demand for the program and are thus indeterminable at this time.

**DATA SOURCE(S): KHEAA, LRC Staff**

**PREPARER: Nick Peak NOTE NUMBER: 108 REVIEW: JAB DATE: 3/12/2021**