

**COMMONWEALTH OF KENTUCKY FISCAL NOTE STATEMENT
LEGISLATIVE RESEARCH COMMISSION
2024 REGULAR SESSION**

MEASURE

2024 BR NUMBER 1375

SENATE BILL NUMBER 7

TITLE AN ACT relating to KEES scholarships for students attending noncertified schools.

SPONSOR Senator Mike Wilson

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	2023-2024	2024-2025	2025-2026	ANNUAL IMPACT AT FULL IMPLEMENTATION
REVENUES				
EXPENDITURES			\$1,000,000	\$1,000,000
NET EFFECT			(\$1,000,000)	(\$1,000,000)

() indicates a decrease/negative

PURPOSE OF MEASURE: The purpose of the measure is to expand the number of students eligible to receive Kentucky Educational Excellence Scholarship (KEES) awards to include graduates of noncertified schools. It also amends the statute to expand the term ACT score to include an equivalent score on the Classic Learning Test provided by the Classic Learning Initiatives, thus allowing awards for students taking this test.

FISCAL EXPLANATION: By expanding KEES eligibility to new participants, there will be a need for additional funding. According to the Kentucky Higher Education Assistance Authority (KHEAA), in fiscal year 2023, KEES supported 65,100 recipients with a total reward amount of approximately \$114.4 million, therefore, the average annual reward per student was \$1,757.

KHEAA estimates this proposal will increase the KEES recipient population to include an additional 500 students with potential for growth. Based on the most recent average award per student, an additional 500 students would have an impact of approximately \$878,500 for each fiscal year beginning no earlier than fiscal year 2025-2026. KHEAA may also require additional personnel and/or incur additional expenses to administer the new awards.

DATA SOURCE(S): LRC Staff, KHEAA

PREPARER: Justin Smith **NOTE NUMBER:** 16 **REVIEW:** JB **DATE:** 1/17/2024