

JBC Staff Fiscal Analysis
Senate Appropriations Committee

Concerning measures to reinvent postsecondary and workforce readiness programs.

Prime Sponsors:

Senators Bridges; Kirkmeyer
Representatives Bird; Sirota

Date Prepared:

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Fiscal Impacts

Appropriation Required, Amendment in Packet

Fiscal Note Status

The most recent Legislative Council Staff Fiscal Note (attached) reflects the fiscal impact of the bill as of 04/28/25.

No Change: Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill.

Amendments in This Packet

J.001	Staff-prepared appropriation amendment
L.001/J.002	Bill Sponsor amendment - changes fiscal impact and appropriation
L.002	Bill Sponsor amendment - does not change fiscal impact
L.003	Bill Sponsor amendment - does not change fiscal impact

Current Appropriations Clause in Bill

The bill requires but does not contain an appropriation clause.

Description of Amendments in This Packet

J.001

Staff amendment **J.001** (attached) includes the following adjustments to appropriations for the Department of Education for FY 2025-26 that total a net decrease of \$5,677,589 cash funds, including a

reduction of \$1,476,948 from the Marijuana Tax Cash Fund and net reduction of \$4,200,641 from the State Education Fund. The appropriation reflects a net increase of 3.9 FTE. The appropriation differs from the LCS Fiscal Note due to: (1) exclusion of \$164,083 in total costs related to administration; and (2) assignment of only \$351,310 of the total funding allocated for Postsecondary & Workforce Readiness Start-up funding for administration. Both differences are due to the statutory cap of 7.0 percent that may be used for Start-up funding in FY 2025-26 under provisions of the bill as introduced.

FY 2026

Existing Line Items Adjusted

School Finance (ASCENT hold-harmless) – Cash Funds from State Education Fund	\$2,257,275
Extended High School (ASCENT) - Cash Funds from State Education Fund	-6,703,048
Management & Admin, Grants Admin – General Fund	-3,999
Career Development Success Program - General Fund	-4,521,670
Concurrent Enrollment Expansion Grant – Cash Funds from Marijuana Tax Cash Fund	-1,476,948
Buckner Auto Enrollment in Advanced Courses – General Fund	<u>-247,914</u>
Subtotal - Reductions Components in Bill	-\$10,696,304
FTE reductions associated with cuts above	-1.2 FTE

New Line Items:

Postsecondary & Workforce Readiness Administration – General Fund (excludes centrally appropriated amounts; includes staff related to school finance)* <i>[modified in J.002]</i>	351,310
Postsecondary & Workforce Readiness Start-up Funding for LEPs – General Fund <i>[modified in J.002]</i>	4,422,273
Postsecondary & Workforce Readiness Start-up Funding for LEPs – Cash Funds from State Education Fund	<u>245,132</u>
Subtotal - Increase Components in Bill	\$5,018,715
FTE for new programs	5.1 FTE

Net Fiscal Impact in S.B. 25-315	<u>-\$5,677,589</u>
General Fund	\$0
Cash Funds – State Education Fund	-4,200,641
Cash Funds – Marijuana Tax Cash Fund	-1,476,948
Net FTE Impact	3.9 FTE

*For purposes of J.001, the administrative funding is based on 7.0 percent of the total funding for Postsecondary & Workforce Readiness Start-up, consistent with the statutory cap in the bill as introduced. This is less than the estimated administrative cost reflected in the fiscal note, which reflects total administrative costs of \$646,300.

L.001 and J.002

Bill Sponsor amendment **L.001** (attached):

- Modifies the legislative declaration to emphasize the benefits of guaranteed transfer pathways and cooperative agreements between local education providers and colleges;

- Names the new Innovation Grant Program that takes effect in FY 2028-29 the “John W. Buckner Postsecondary and Workforce Readiness Innovation Grant Program”. The bill as drafted eliminates an earlier grant program named for former Representative Buckner.
- Eliminates a requirement that administration must be no more than seven percent of Start-up Funding in FY 2025-26.
- Delays the first SMART Act report on consolidating postsecondary and workforce readiness programs from January 2027 to January 2028, based on when programs are implemented and data becomes available.
- Specifies that for the 2025-26 budget year, of the five million dollars appropriated for the Career Development Success Program, the Department may expend an amount that is necessary to offset the direct and indirect costs incurred in administering postsecondary and workforce readiness funding.

Bill sponsor amendment **J.002** is the same as amendment **J.001** except, without changing total appropriations in the bill:

- The portion of the Start-up Funding used for administration is increased by \$130,907 to \$482,217 General Fund and the General Fund portion of funding available for Postsecondary and Workforce Readiness Start-up Funding for local education providers (LEPs) is reduced by \$130,907 to \$4,291,366.
- Joint Budget Committee Staff and LCS Staff assume that \$164,083 (the additional administrative need reflected in the LCS Fiscal Note) will be absorbed in the \$5.0 million allocated in FY 2025-26 for the Career Development Success Program, reducing allocations to local education providers by the same amount.

L.002

Bill Sponsor amendment **L.002** (attached) modifies the existing School Counselor Corps Grant Program so that the State Board of Education is no longer required to approve individual grants to local education providers. This is expected to reduce the time required to award grants. No other fiscal impact is anticipated.

L.003

Bill sponsor amendment **L.003** (attached) strikes section 21 of the bill. This section eliminated a provision specifying that credit hours earned by ASCENT program participants were exempted from the lifetime limit on College Opportunity Fund (COF) stipend credit hours (145 postsecondary credit hours). Striking this provision eliminates the change and continues to allow credit hours earned under the ASCENT program (during its existence) to be exempted from the COF lifetime limit.

The Committee may adopt **J.001** or the combination of **L.001** and **J.002**, but should **not** adopt two “J” amendments. It may adopt amendments **L.002** and/or **L.003** in combination with any of the other amendments.

Points to Consider

Related Budget Information

The Joint Budget Committee (JBC) has proposed a budget package for FY 2025-26 based on the March 2025 Office of State Planning and Budgeting revenue forecast. The provisions of this bill, in combination with adjustments included in the Long Bill and other budget package bills to eliminate older postsecondary workforce readiness programs, is anticipated to generate net savings of at least \$9.5 million per year from the State Education Fund, Marijuana Tax Cash Fund, and General Fund. This includes savings of \$8.0 million from the State Education Fund and Marijuana Tax Cash Fund related to this bill. These savings are anticipated to be fully realized in FY 2027-28, when school finance “hold harmless” provisions related to the ASCENT program roll off.