

February 12, 2026

The Honorable Renee Erickson, Chairperson
Senate Committee on Education
300 SW 10th Avenue, Room 144-S
Topeka, Kansas 66612

Dear Senator Erickson:

SUBJECT: Fiscal Note for SB 343 by Senate Committee on Education

In accordance with KSA 75-3715a, the following fiscal note concerning SB 343 is respectfully submitted to your committee.

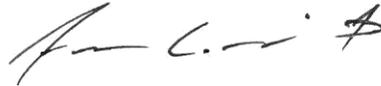
SB 343 would require the Board of Regents to adopt rules and regulations prohibiting state funds from being allocated or expended, either directly or indirectly for low-earning outcome programs, as determined pursuant to Section 84001 of Public Law 119-21. State funds would include individual student financial aid, base operational or instructional funding, separately or specially appropriated aid or grants, and capital or facilities funding. The Board would be required to review annually the federal determination of low-earning outcome programs pursuant to Section 84001 of Public Law 119-21 and update the rules and regulations adopted, accordingly.

In addition, the Board would be required to submit and make public an annual report to the Legislature that includes the programs prohibited from receiving state funds, enforcement of prohibitions, and the estimated fiscal impact of the prohibitions. Political subdivisions would be prohibited from allocating or expending local public funds, either directly or indirectly, for low-earning outcome programs as determined in the rules and regulations adopted by the Board.

According to the Board, enactment of the bill is not estimated to have a fiscal effect on the agency or the postsecondary educational system in FY 2027 because the federal government has not identified the affected programs and a finalized list is not expected until July 2027. However, the Board states the bill's enactment could have a fiscal effect in FY 2028 since the bill would reallocate expenditures from programs with lower earning outcomes, which could result in an overall reduction in program costs, according to the Board. The Board estimates administrative costs are expected to increase because of annual updates to rules and regulations and to prepare

the required report; however, the Board estimates the increased costs would be offset by the estimated savings resulting from the enactment of the bill. The Board did not estimate a fiscal effect. Any fiscal effect associated with SB 343 is not reflected in *The FY 2027 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam C. Proffitt" with a stylized flourish at the end.

Adam C. Proffitt
Director of the Budget

cc: Becky Pottebaum, Board of Regents