Submit a hard copy of the proposed rule(s) and regulation(s) and any external documents that the proposed rule(s) and regulation(s) would adopt, along with the following to: Division of the Budget
900 SW Jackson, Room 504-N
Topeka, KS 66612

I. Brief description of the proposed rule(s) and regulation(s).

This is a proposal to establish rules and regulations required to implement K.S.A. 2019 Supp. 74-32,267. The statute established Accelerating Opportunity: Kansas (AO-K) to Work, a Kansas pathway to career program providing an alternative path to a high school equivalency credential for Kansas adults.

K.S.A. 2019 Supp. 74-32,267 requires that qualified students successfully complete an approved AO-K career pathway and receive an industry-recognized credential. It also requires that the Kansas Board of Regents (Board) approve the career pathways and industry-recognized credentials. In proposed regulation K.A.R. 88-25-2, the Board identifies which career pathways and industry-recognized credentials will qualify.

The statute also requires that students take a career readiness assessment and earn a career readiness certificate. Proposed regulation K.A.R. 88-25-3 identifies two certificates that will satisfy this requirement.

The statute also permits the Board to establish additional criteria required to obtain the credential. In proposed regulation K.A.R. 88-25-4, the Board requires that each applicant also demonstrate high school equivalency in math, English Language Arts, and civics. The regulation identifies the tests or coursework that demonstrates that equivalency.

Finally, the statute permits the Board of Regents to charge a fee of no more than $25 for issuance or duplication of a Kansas high school equivalency credential. In proposed regulation K.A.R. 88-25-5, the Board set a $25 fee.

II. Statement by the agency if the rule(s) and regulation(s) is mandated by the federal government and a statement if approach chosen to address the policy issue is different from that utilized by agencies of contiguous states or the federal government. (If the approach is different, then include a statement of why the Kansas rule and regulation proposed is different)

The rules and regulations are not mandated by the federal government.
While other states have implemented similar alternative pathways to high school equivalency, none of the contiguous states have similar programs. When compared to other states, Kansas' program provides a more streamlined approach because it uses the successful completion of postsecondary career and technical education training courses as one component of earning an alternative high school equivalency credential.

III. Agency analysis specifically addressing following:

A. The extent to which the rule(s) and regulation(s) will enhance or restrict business activities and growth;

The proposed regulations will not directly impact business activities and growth. The regulations do implement a pathway for adults to simultaneously earn high school equivalency and career technical training, which could help businesses grow by providing a more educated workforce.

B. The economic effect, including a detailed quantification of implementation and compliance costs, on the specific businesses, sectors, public utility ratepayers, individuals, and local governments that would be affected by the proposed rule and regulation and on the state economy as a whole;

The proposed regulations implement a statute that creates a pathway for adults to simultaneously earn a high school equivalency credential and career technical training. This training can lead to higher educational attainment and employment opportunities which could generate more revenue for businesses that hire these individuals, the individuals attaining the credentials who would have greater earning potential, and, ultimately, generate additional tax revenues for local and state government.

No businesses, sectors, public utility ratepayers, individuals, or local governments will incur implementation or compliance costs.

C. Businesses that would be directly affected by the proposed rule and regulation;

No business would be directly affected by the proposed rules and regulations.

D. Benefits of the proposed rule(s) and regulation(s) compared to the costs;

The potential benefit of the proposed rules and regulations is high while the costs are low. Qualified students will utilize the program to earn a high school equivalency credential and career technical training, increasing their qualifications and earning potential. The students may incur some costs for the tests and coursework, and the students will incur the $25 fee required for issuance or duplication of the credential. There are also some administrative costs for Board staff to administer the program and issue credentials, but no new personnel will be hired. The $25 fee helps defray those costs.

E. Measures taken by the agency to minimize the cost and impact of the proposed rule(s) and regulation(s) on business and economic development within the State of Kansas, local government, and individuals;

The proposed regulations set the fee for individuals at the maximum $25 allowed by statute. The proposed rules and regulations are not anticipated to have any cost or direct impact on business, economic development, or local government within
the State of Kansas. Any indirect impact on businesses would result from having more Kansans with a high school credential.

Individuals seeking their high school equivalency credential must pay the $25 credentialing fee. However, the same credentialing fee is charged for students pursuing their high school equivalency credential through completion of the GED test. In aggregate, individuals may benefit from these regulations, as some of the course and testing costs may be defrayed by other state programs. In some cases, the student will pay little above and beyond the $25 credentialing fee. Most of the $25 credentialing fee covers the cost of issuing the credential, and a small amount goes toward processing.

F. An estimate, expressed as a total dollar figure, of the total annual implementation and compliance costs that are reasonably expected to be incurred by or passed along to business, local governments, or members of the public.

The regulation establishes a $25 credentialing fee for all individuals that complete the requirements and are able to obtain a high school equivalency credential through the AO-K to Work program. Since this is a new program, we estimated the potential impact by taking a 5-year average of the number of students participating in a related program, AO-K. This is the best information available to estimate potential impact because individuals must complete an AO-K career pathways program in order to earn the high school equivalency credential. The participating headcount for AO-K by academic year are:

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<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
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</thead>
<tbody>
<tr>
<td>participating</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>headcount</td>
<td>750</td>
<td>584</td>
<td>542</td>
<td>496</td>
<td>174</td>
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<tr>
<td>$25 fee per</td>
<td></td>
<td></td>
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<tr>
<td>student</td>
<td>$18,750.00</td>
<td>$14,600.00</td>
<td>$13,550.00</td>
<td>$12,400.00</td>
<td>$4,350.00</td>
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</tbody>
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If each student were to complete the pathways program and the other AO-K to Work requirements, they would earn a high school equivalency credential and would pay the $25 fee. Over the past five years, this creates a range of $18,750 to $4,350. Another way to calculate it would be to take the 5-year average. The average number of students participating in AO-K in the last 5 years was 509 students. If each of those students earned a credential the $25 fee would cost $12,730.

Because individuals with a high school credential have significantly greater earning potential, we strive to have as many students as possible complete the AO-K to Work program and earn the high school equivalency credentials. But the figures indicated above are likely an overestimate because not all students that enroll in a career pathway will complete the AO-K to Work program and earn the credential.

Do the above total implementation and compliance costs exceed $3.0 million over any two-year period?

YES ☐  NO ☒

Give a detailed statement of the data and methodology used in estimating the above cost estimate.

N/A
Prior to the submission or resubmission of the proposed rule(s) and regulation(s), did the agency hold a public hearing if the total implementation and compliance costs exceed $3.0 million over any two-year period to find that the estimated costs have been accurately determined and are necessary for achieving legislative intent? If applicable, document when the public hearing was held, those in attendance, and any pertinent information from the hearing.

YES ☐    NO ☐

G. If the proposed rule(s) and regulation(s) increases or decreases revenues of cities, counties or school districts, or imposes functions or responsibilities on cities, counties or school districts that will increase expenditures or fiscal liability, describe how the state agency consulted with the League of Kansas Municipalities, Kansas Association of Counties, and/or the Kansas Association of School Boards.

N/A

H. Describe how the agency consulted and solicited information from businesses, associations, local governments, state agencies, or institutions and members of the public that may be affected by the proposed rule(s) and regulation(s).

KBOR emailed a draft of the regulations to and requested input from Kansas community and technical colleges and unified school districts (USDs) that currently administer state-funded adult education programs. KBOR also requested input from the Kansas Department of Education (KSDE). These entities are the most likely to be impacted by this new pathway to earn a high school equivalency credential and are familiar with the methods (tests and courses) utilized to establish high school equivalency in math, English language arts, and civics. No concerns were expressed by those entities with regard to the draft regulations.

I. For environmental rule(s) and regulation(s) describe the costs that would likely accrue if the proposed rule(s) and regulation(s) are not adopted, as well as the persons would bear the costs and would be affected by the failure to adopt the rule(s) and regulation(s).

N/A