

SESSION OF 2024

**SUPPLEMENTAL NOTE ON SENATE SUBSTITUTE FOR
HOUSE BILL NO. 2645**

As Recommended by Senate Committee on
Education

Brief*

Senate Sub. for HB 2645 would amend provisions of law regarding the Nursing Service Scholarship Program and Kansas Hero's Scholarship Act.

The bill would be in effect upon publication in the *Kansas Register*.

Nursing Service Scholarship Program (Program)

Nursing Service Scholarship Limit and Allocation

The bill would remove the limit on the number of nursing service scholarships that may be awarded each year. The bill would also remove provisions requiring a certain number of the scholarships to be awarded to nursing students whose sponsors are located in rural areas, who are enrolled in a course of instruction leading to licensure as a registered professional nurse, and who are enrolled in a course of instruction leading to licensure as a licensed practical nurse.

Priority for scholarships would be changed to qualified applicants with the greatest financial need. [*Note: Currently, priority is given to qualified applicants whose sponsor is a mental health or treatment facility.*]

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

Sponsorship

The bill would make the following amendments to the provisions of the Program pertaining to sponsors:

- Amend the definition of the term “sponsor” to mean any of the following that is located in a rural opportunity zone (ROZ), as defined by continuing law:
 - An adult care home licensed under the Adult Care Licensure Act;
 - A licensed medical facility;
 - A licensed home health agency;
 - A local health department;
 - A mental health or treatment facility; or
 - A state agency that employs licensed practical nurses or licensed professional nurses;
- Make sponsorship by a sponsor optional for an individual’s eligibility for the scholarship;
- Amend the amount of the scholarship a recipient, who has a sponsor, could receive to 125.0 percent of the amount established annually by the Kansas Board of Regents (KBOR); and
- Require a scholarship recipient who has a sponsorship agreement to engage in the practice of nursing in the employment of such sponsor for the length of time the recipient received scholarship assistance or until fulfilled as otherwise required by law.

[*Note:* The current maximum scholarship amounts for the Program are \$3,500 per school year for recipients enrolled full-time in a licensed practical nurse program and \$4,500 per school year for recipients enrolled full-time in a registered nurse program.]

Terms of the Scholarship Agreements with KBOR

The bill would make changes to the scholarship agreement entered into by KBOR and the scholarship recipient by requiring the scholarship recipient to:

- Within six months of completing the required course of instruction, attain licensure with the Board of Nursing as a licensed professional nurse or licensed practical nurse;
- Complete the Free Application for Federal Student Aid (FAFSA) for each academic year in which scholarships funds are awarded under the agreement; and
- Within six months of attaining licensure, engage in the full-time or part-time practice of nursing in Kansas for the following durations:
 - For full-time practice, the total amount of time required under the agreement, which must be for a period of not less than the length of time the recipient received scholarship assistance; or
 - For part-time practice, the total amount of time required under the agreement, which must be for a period of time that is equal to full-time, as determined by KBOR, multiplied by the length of the time the recipient received scholarship assistance.

[*Note:* For a scholarship recipient who has a sponsor, such recipient would be required to engage in the practice of nursing in the employment of the sponsor in accordance with the sponsorship agreement for the length of time the recipients received scholarship assistance or until fulfilled as otherwise required by law.]

Failure to satisfy the service requirement of the scholarship agreement with KBOR would result in a scholarship recipient having to pay KBOR an amount equal to the scholarship amount received plus interest. The bill would change the interest rate to 5.0 percent per annum, and the interest would begin accruing on the date the obligation to repay commenced.

Nursing Service Scholarship Review Committee

The bill would abolish the Nursing Service Scholarship Committee (Committee). The bill would also remove the definition of the term “Committee.”

Rules and Regulations

The bill would no longer require KBOR to consult with the Committee before adopting rules and regulations as necessary to administer the Program.

Technical Amendments

The bill would also make technical amendments.

Kansas Hero’s Scholarship Act (Act)

The bill would amend the Act to expand the number of eligible recipients who may receive financial assistance.

The bill would make the following changes to the eligibility requirements:

- Remove provisions limiting eligibility to those who served as a member of the military after September 11, 2001; and
- Clarify provisions pertaining to military servicemembers who died while in military service

or sustained an injury or disability that rendered the servicemember incapable of continuing such service.

The bill would also add a provision requiring KBOR to establish an aggregate limit for financial assistance under the Act each year based on the annual appropriated amounts for paid reimbursements. The bill would remove the reimbursement limit of \$500,000 per year for educational institutions.

Background

On March 18, 2024, the Senate Committee on Education inserted the contents of HB 2646 (Kansas Hero's Scholarship Act) into HB 2645 (Nursing Service Scholarship Program) while retaining the contents of HB 2646. Background information for each bill may be found below. The Senate Committee on Education recommended Senate Sub. for HB 2646, incorporating provisions pertaining to the reopening of the Kansas Public Employees Retirement System (KPERS) 3 members to KPERS 2. [Note: These provisions were originally contained in SB 479, as modified by the Senate Committee on Education.]

HB 2645 (Nursing Service Scholarship Program)

HB 2645 was introduced by the House Committee on Education at the request of a representative of KBOR.

House Committee on Education

In the House Committee hearing on February 12, 2024, **proponent** testimony was provided by a representative of KBOR, stating the bill would increase interest in the Program, help address the nursing workforce shortage in Kansas, and make administration of the Program more efficient.

Written-only proponent testimony was provided by representatives of the Kansas Hospital Association and Kansas Independent Colleges Association.

No other testimony was provided.

The House Committee amended the bill to:

- Restore the definition of “mental health or treatment facility”;
- Restore and amend the definition of “sponsor” to add that a sponsor must be located in a ROZ;
- Restore various provisions pertaining to sponsors and sponsorship agreements;
- Make having a sponsor optional; and
- Provide that the scholarship amount for a nursing student who has a sponsor must not exceed the amount of each scholarship established annually multiplied by 125.0 percent.

Senate Committee on Education

In the Senate Committee hearing on March 6, 2024, **proponent** testimony was provided by a representative of KBOR, stating the bill would increase interest in the Program, help address the nursing workforce shortage in Kansas, and make administration of the Program more efficient.

Written-only proponent testimony was provided by representatives of the Kansas Hospital Association and Kansas Independent Colleges Association.

HB 2646 (Kansas Hero’s Scholarship Act)

HB 2646 was introduced by the House Committee on Education at the request of a representative of KBOR.

House Committee on Education

In the House Committee hearing on February 12, 2024, a representative of KBOR provided **proponent** testimony, stating the bill would improve the administration of the Act, benefit servicemembers' spouses and dependents, and make the Act subject to appropriation, like other financial aid programs administered by KBOR.

Written-only proponent testimony was provided by a representative of United WE.

No other testimony was provided.

Senate Committee on Education

In the Senate Committee hearing on March 6, 2024, a representative of KBOR provided **proponent** testimony, stating the bill would improve the administration of the Act, benefit servicemembers' spouses and dependents, and make the Act subject to appropriation, like other financial aid programs administered by KBOR.

Written-only proponent testimony was provided by a representative of United WE.

The Senate Committee amended the bill to delete a scholarship eligibility requirement, "sustained an injury or disability that rendered the servicemember incapable of continuing such servicemember's military service," for any dependent or spouse of any resident of Kansas.

Fiscal Information

HB 2645 (Nursing Service Scholarship Program)

According to the fiscal note prepared by the Division of the Budget on HB 2645, as introduced, KBOR indicates

enactment of the bill would eliminate the sponsorship requirement, which would reduce revenues the KBOR receives from sponsors; however, KBOR also indicates with the reduction in revenue, there would also be a corresponding reduction to expenditures. KBOR also states the scholarship requirements have limited its ability to use the full State General Fund (SGF) appropriation each year. With the removal of the sponsorship requirement and the limit of scholarships that can be awarded, KBOR estimates it would be able to fully award the entire SGF appropriation. Any fiscal effect associated with the bill is not reflected in *The FY 2025 Governor's Budget Report*.

HB 2646 (Kansas Hero's Scholarship Act)

According to the fiscal note prepared by the Division of the Budget on HB 2646, as introduced, KBOR indicates enactment of the bill would increase the amount of time KBOR staff would spend administering the scholarship but the additional time would be absorbed within existing resources. Any fiscal effect associated with the bill is not reflected in *The FY 2025 Governor's Budget Report*.

Education; Kansas Hero's Scholarship Act; postsecondary education; scholarship; public safety officer; military; Kansas Board of Regents; Nursing Service Scholarship Program; nursing;