

February 13, 2020

The Honorable Molly Baumgardner, Chairperson
Senate Committee on Education
Statehouse, Room 445B-S
Topeka, Kansas 66612

Dear Senator Baumgardner:

SUBJECT: Fiscal Note for SB 336 by Senate Committee on Education

In accordance with KSA 75-3715a, the following fiscal note concerning SB 336 is respectfully submitted to your committee.

SB 336 would create the Kansas Reinvest in Postsecondary Education (RISE) Act. The RISE Scholarship would be awarded to eligible individuals enrolled at an accredited public or private postsecondary educational institution that is in good standing with the Higher Learning Commission of the North Central Association of Colleges and Universities and offers an associate degree or industry-recognized certificate in a technical profession. The Board of Regents would be required to adopt rules and regulations to implement and administer the program on or before January 1, 2021, which detail deadlines for scholarship applications, appeal procedures for denial or revocation of a scholarship, and procedures for requesting and approving medical and personal absences from a program. Any student on approved medical or personal leave may continue receiving the scholarship if the student continues to satisfy all eligibility requirements. The aggregate amount of leave would be limited to six months.

The Board of Regents would also be required to:

1. Publicize the program, including the list of eligible programs and information regarding application procedures and deadlines;
2. Review and approve or deny applications;
3. Request information from the colleges that may be needed for the administration of the Act;
4. Establish requirements for mentoring and guidance sessions for participating students; and
5. Annually, beginning January 15, 2022, evaluate the program and prepare and submit a report to the Governor and the Kansas Legislature that would include:

- a. The number of students who applied for a Kansas RISE scholarship, the total number of students receiving a scholarship, and the number of students receiving a scholarship disaggregated by certain eligibility criteria;
- b. The total amount of scholarships awarded and the amount of scholarships awarded disaggregated by those students who meet certain eligibility criteria;
- c. The number of students who completed an eligible program;
- d. The number of students who became employed within six months after completion of an eligible program; and
- e. Recommendations regarding funding for the Kansas RISE scholarships.

An eligible student would have to:

1. Be a Kansas resident;
2. Be enrolled in grade 12 in an eligible Kansas high school; be a graduate of an eligible Kansas high school no less than five years prior to applying for a RISE scholarship; have been in the custody of the Kansas Department for Children and Families at any time during grades six through 12; or have obtained a general education development (GED) certificate;
3. Have completed the scholarship application;
4. Have completed the Free Application for Federal Student Aid;
5. Participate in mentoring and guidance sessions as required by the Board of Regents;
6. Have enrolled in an eligible program;
7. Maintain continuous enrollment in an eligible program; and
8. Maintain a 2.0 cumulative grade point average.

The scholarship would provide the total of all tuition and mandatory fees each semester after all other gift aid has been applied, plus the student would be awarded \$250 per semester for books and materials. For students enrolled at a four-year institution, the scholarship would provide the average cost of tuition, fees, books and materials for the program when offered by an eligible institution that is not a four-year institution. Four-year institutions would be required to provide \$1 from its endowment or other scholarship granting fund for every \$1 paid by the Board.

The Board of Regents indicates SB 336 would have a fiscal effect on the Board office, community colleges, technical colleges, “bridge programs” at four-year universities, and technical programs at private postsecondary educational institutions. The Board indicates SB 336 would be subject to appropriations, but would cover tuition, required fees, and up to \$250 per semester toward the cost of books and required materials.

The Board estimates that if all students up to 24 years of age who were enrolled in technical education programs at community colleges and technical colleges during the 2018-2019 academic

year were eligible for the RISE scholarship, state support for scholarship funding would increase by approximately \$29.0 million annually. The estimate includes \$24.3 million for tuition and fees less estimated gift aid in accordance with a provision in the bill stating that the RISE Scholarship would cover any amount of tuition remaining after applying the Federal Pell Grant and other scholarship funding not needing to be repaid. The estimate also includes \$4.6 million for books and materials, which is not subject to the gift aid requirement. The scholarship program does not cover the cost of room and board expenses for the student.

While the Board did not include an estimate of costs for the RISE scholarship for bridge programs at four-year universities and technical programs at private institutions, the Division notes, SB 336 would require any four-year institution participating in the program to provide match funding \$1 for \$1 from its endowment or other scholarship fund.

The Board also estimates the cost to create rules and regulations, administer the scholarship program, establish criteria for awarding scholarships to eligible students, and reporting requirements would increase its annual expenditures by \$37,419 which includes \$27,419 for salaries and wages for a part-time position, and \$10,000 for other operating costs.

The Board adds that SB 336 could increase demand for scholarship programs based on growth in the Excel in Career Technical Education Initiative which reported enrollment of 3,870 students in 2012 and 11,690 students in 2018.

The Department for Children and Families indicates any costs to promote the program internally for over 300 children in foster care who could receive scholarship assistance would be negligible and could be absorbed within existing resources. Any fiscal effect associated with SB 336 is not reflected in *The FY 2021 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "L. Campbell", written in a cursive style.

Larry L. Campbell
Director of the Budget

cc: Kelly Oliver, Board of Regents
Kim Holter, Children & Families