

SESSION OF 2020

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2515

As Amended by House Committee on
Commerce, Labor and Economic Development

Brief*

HB 2515, as amended, would establish the Kansas Promise Scholarship Act (Act), which would provide scholarships for students to attend an “eligible postsecondary educational institution.” The bill would define such an institution to include community or technical colleges established by law, the Washburn Institute of Technology, or any two-year associate degree program or technical certificate program offered by a private postsecondary educational institution that has its primary location in Kansas. The Act would be administered by the State Board of Regents (Board).

To be eligible for a scholarship, a student would be required to:

- Be a Kansas resident;
- Be a graduate of Kansas public or private secondary school or have obtained a high school equivalency certificate within the preceding 12 months. The bill would also include students who graduate out of state while one or both parents are residents of Kansas and members of the Kansas National Guard who are stationed in another state;
- Complete the application form that would be established by the Board;

*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>

- Enter into the scholarship agreement with the eligible postsecondary educational institution that stipulates that the student would:
 - Be a full-time student and complete the required career and technical education program or associate degree program with coursework in an identified job field that corresponds to a baccalaureate degree program;
 - Within 6 months of graduation, either work in Kansas for at least 2 years following completion of the program; or enroll as a full-time student in a public or private postsecondary educational institution;
 - Maintain records and report to the Board the fulfillment of requirements; and
 - Agree to repay the scholarship received, plus interest, upon failure to perform as specified in the agreement; and
- Complete the application for federal student aid and either:
 - Enroll in an eligible postsecondary educational institution with coursework in an identified job field that corresponds to a baccalaureate degree program; or
 - Transfer to a public or private postsecondary education institution that is primarily located in Kansas as a full-time student; and commence work in Kansas for at least 2 years following completion of the program.

The scholarship program would be subject to appropriations that would not exceed \$10.0 million annually. The amount of a student's scholarship for each semester would be the aggregate of the amount of tuition and related fees or costs of the eligible postsecondary educational institution minus the aggregate amount of all other aid

awarded to the student. The bill would specify aid includes any financial assistance that would not require repayment. The bill would not prohibit a student enrolled in high school who received a postsecondary course credit from qualifying for the scholarship. To continue receiving the scholarship, the student would be required to:

- Annually complete 100 hours of community service or be verified by the eligible postsecondary educational institution to be employed part-time;
- Maintain a cumulative grade point average of 2.0 or greater; and
- Satisfy other requirements specified in the agreement.

The scholarship conditions would be satisfied when the student:

- Completes the requirements of the agreement;
- Fails to complete the educational requirements after making a best effort attempt;
- Cannot obtain and continue employment;
- Cannot satisfy the requirements due to a permanent physical disability; or
- Dies.

The Board would be required to adopt rules and regulations pertaining to:

- Application deadlines for the scholarship;
- Appeals process for denial or revocation of a scholarship;
- Guidelines for the transferability of a graduated student's credits from an eligible postsecondary educational institution to a state educational institution or a municipal university;

- Procedures for a student to record and report proof of community service hours;
- The terms, conditions, and requirements of the scholarship agreement between the Board and the student;
- Procedures for requesting and approving certain absences from an eligible postsecondary educational institution;
- Criteria for determining whether a student has fulfilled the employment and repayment requirements specified in the bill, including methods of repayment; and
- Criteria for determining whether special circumstances or good cause are present that prevent a student from completing the scholarship requirements.

The Board would be required to:

- Publicize the scholarship program by working with various community partners;
- Allocate funds to each postsecondary educational institution;
- Request information from each postsecondary educational institution;
- Collaborate annually with the Department of Commerce (Department) and Kansas business and industry to identify up to 10 job fields that have the highest need for skilled employees;
- Designate scholarship-eligible career and technical programs and transfer education programs that correspond with the job fields and pathways;

- Ensure students fulfill the scholarship agreement; and
- Starting in January 2021, annually evaluate the program and report to the standing education committees of the House and Senate.

The Board would be authorized to transfer any repayment account to a loan servicer or collection agency. Moneys received would be credited to the State General Fund.

The Act would sunset on July 1, 2025.

Background

The bill was introduced by the House Committee on Commerce, Labor and Economic Development at the request of Representative Tarwater. In the House Committee hearing, representatives of various community and technical colleges, the Greater Kansas City Chamber of Commerce, and the Board spoke in favor of the bill, stating the legislation would create a “last dollar” scholarship program that would target in-demand occupations. Written-only proponent testimony was provided by representatives of the Overland Park Chamber of Commerce, the Kansas Chamber, and Washburn University.

No opponent testimony was provided.

A representative of the Kansas Independent College Association provided neutral testimony, stating the legislation would not include not-for-profit colleges in the definition of eligible postsecondary educational institution and would not define skilled jobs.

The House Committee amended the bill to:

- Revise the definition for “eligible postsecondary educational institution” to include Washburn

Institute of Technology and certain programs offered by a private postsecondary educational institution located primarily in Kansas;

- Revise the work requirement to allow the eligible postsecondary educational institution to verify the student's employment status;
- Require the Board to work with community partners to publicize the scholarships;
- Specify the coursework taken by the student must be for an identified job field that corresponds to a baccalaureate degree program;
- Allow for a student to transfer as a full-time student to certain public or private postsecondary education institutions in Kansas and stipulate a two-year work requirement;
- Cap the appropriation at no more than \$10.0 million annually; and
- Sunset the Act after 5 years.

According to the revised fiscal note prepared by the Division of the Budget, in consultation with the Board and the Department, the bill, as introduced, would cost \$17.3 million from the State General Fund for scholarships in FY 2021. This assumes half of the 7,175 students currently enrolled at community and technical colleges, excluding Washburn Institute of Technology, would enroll in a high-demand job field. The agencies estimate operating expenses in FY 2021 would increase by \$39,806 and 0.05 FTE position. This includes \$37,419 for the Board and \$2,387 and 0.05 FTE position for the Department. Any fiscal effect associated with the bill is not reflected in *The FY 2021 Governor's Budget Report*.