

MINUTES OF THE HOUSE COMMITTEE ON HIGHER EDUCATION.

The meeting was called to order by Chairperson Lisa Benlon at 3:30 p.m. on February 25, 2002 in Room 231-N of the Capitol.

All members were present.

Committee staff present: Paul West, Legislative Research
Carolyn Rampey, Legislative Research
Jim Wilson, Revisor of Statutes
Renaë Jefferies, Revisor of Statutes
Dee Ann Woodson, Committee Secretary

Conferees appearing before the committee: Senator David Jackson
Rep. Brenda Landwehr
Jennifer Propp, Asst. Director, Child Welfare, SRS
Gaye Tibbitts, Kansas Appleseed Project
Daisy DeKnight, former Foster Child
Andrew Williams, former Foster Child
Jennefer Johnson, former Foster Child (written only)
Marvin Burris, State Board of Regents

Others attending: See attached list.

HB 2956 - Tuition waivers for post-secondary education for certain students who were in foster care

Chairperson Benlon opened the hearings on **HB 2956**, and called the first proponent, Senator David Jackson. He testified that this bill was drafted as a result of hearings held during the interim by the Joint Committee for Children's Issues. He related that the committee members hearing this issue were fully supportive of the concept of this bill which involved foster care children in the custody of SRS being eligible for a tuition waiver for eight semesters of higher education provided they remain in good standing with the higher education institution.

Senator Jackson explained the benefits if this bill was to be implemented which included (1) providing an incentive for foster care children to achieve self-sufficiency; (2) provides foster care parents with a tool to encourage a successful high school experience for the youth in their care; (3) it pulls in Federal education assistance through Pell grants, which are provided to income eligible higher education students; and (4) it may break the cycle of public assistance, and provide the recipient the tools necessary to achieve a higher standard of living. He told the Committee members that currently there were ten states with some form of tuition waiver, and eight states with pending tuition legislation. (Attachment 1)

Representative Landwehr testified as the second proponent on this proposed legislation, and explained to the Committee members what "aging out of the system" meant for foster care teens. She told in her written testimony submitted to the Committee what the vast majority of the youth in foster care do not have which included; (1) A family to help them make the transition from youth to adulthood; (2) A safety net of caring adults to see them through the difficult years from 18 to 21; (3) A home to come back to for holidays or between jobs; (4) Experience with stable employment because of frequent moves from one foster care setting to another; (5) Experience with activities of adult living such as finding an affordable place to live, building a budget, managing money, shopping—all the myriad of activities expected of persons living on their own; (6) Adults who encourage them to continue their education or who fight for inclusion of post-secondary education in the youth's case plan; (7) Parents to assist them financially or help them secure financial aid if they want to continue their education; and (8) A stable educational background since they are frequently moved from one foster care setting to another while they are in state custody and therefore from school to school.

Written testimony by Representative Landwehr disclosed that on the average foster care children only about half complete high school and are employed, that the employment and economic outcomes of these

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youth closely parallel those of persons living below the poverty level rather than the general population, 40% were dependent on public funding in the form of public assistance, Medicaid, incarceration, etc., and in a Wisconsin study of homeless adults, it was found that 20% had lived in foster care. She stated that the state had failed to provide adequate assistance for those who want to pursue education after they have completed high school or received a GED. The written testimony also explained that uniformity in communicating across the state the availability of services for Medicaid coverage and the potential for post-secondary education and training. She talked about the findings of the Joint Committee on Children's Issues, which she served on during the interim session, and the Committee's conclusion that Kansas should emulate other states in providing tuition assistance for youth leaving foster care who wish to continue their education. (Attachment 2)

Committee questions and discussion concerned the number of foster care children in the state's system and that only 10% go on to some type of post-secondary education; how much money currently comes into the State of Kansas from the Federal government under the Chaffee Act, the intent of that act plus whether those funds were being used correctly; if there were any requirements as far as the maintenance of certain grades in order to participate in the program, and comparison of Kansas to other states including the results of assistance given to these young people. Concern was also expressed that the young adults coming out of the foster care program in Kansas were not receiving valuable information regarding services and assistance that they would be eligible for in attaining post-secondary education.

Representative Tanner stated that he did not know if the Board of Regents was equipped to handle this proposed program, and didn't feel they were geared up to do this type of problem solving. He also suggested that this was something high school counselors ought to be very much invested in whether they are in high school or other types of schools. He said SRS may have some ability to cut to the right place or push the right buttons to get students some assistance. He elaborated that he was hesitant because the Board of Regents does not have a mechanism set up to deal with such problems.

Representative Pottorff inquired as to who was out there to help the students once they got into the higher education system as the legislators would want to make sure they are successful. Representative Landwehr called upon Emalene Correll, Legislative Research Department to explain the proposed legislation. Ms. Correll clarified that there is only 10% of the foster care children that go on to some sort of post-secondary education or training. She also stated that out of 2,000 foster care children in the state, there were only 144 who were actually "aging out" of the system. She said that there was a provision in the bill that requires the students to be in good standing at the institution they are attending.

The third proponent to testify in support of **HB 2956** was Jennifer Propp, Assistant Director of Child Welfare in Children and Family Policy at SRS. She told the Committee members that this bill was the realization of a dream for the members of the Kansas Youth Advisory Council which is made up of six representatives of both current and former foster youth. She said they had been advocating for such legislation for the past two years. Ms. Propp stated that the push for educational achievement for foster youth was because of the importance adequate education has on other outcomes like employment, housing, cost to community, and overall self-sufficiency.

Ms. Propp explained that there are approximately 140 to 150 youth that age out of foster care each year, but not all of these youth would move on to post-secondary education. She said that for those who do, this legislation will assist in providing the incentive and the opportunity. She added that research suggests that the knowledge that post-secondary education is a possibility may lead to improved performance in secondary education. She said that her department had one suggested amendment under Section (2) (b) to change the language to include those youth that may have completed high school or their GED prior to turning 18 years of age. (Attachment 3)

Chairperson Benlon asked if there was a way that they could set this program up wherein SRS would be the responsible party for implementing this program. Ms. Propp replied that she didn't think that would be possible because of the current budget situation. She said they could be supportive in other ways by providing follow-up and research.

Gaye Tibbets, Executive Director of Kansas Appleseed Center for Law and Justice, testified as the fourth proponent to speak in favor of the proposed legislation. She said that her organization was a nonpartisan charity devoted to giving voice to those who otherwise might not be heard. She talked about a recent

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publication her organization released entitled “Foster Care Teens –Kansas’ Forgotten Children” which was distributed to Committee members. She explained that it was a review of disturbing national statistics for young adults who spent their teens in foster care. She told about the Wisconsin study and a national study that found that within a year of being released from foster care 30-48% of youth were back on public assistance. She added that here in Kansas 70% of high school graduates go on to enter some sort of post-secondary education which was more than double the rate for former foster kids, in part because those young adults simultaneously face both college and financial independence. She said they do not have the safety net that parents usually provide, they work long hours, and do without the basics in order to survive.

Ms. Tibbets stated that a waiver for tuition covering foster care children would accomplish three things: (1) It assists former foster care youth in completing a post-secondary education; (2) It gives younger foster care youth who are not yet college age assurance that college may be a possibility for them which should motivate them to finish high school and make plans for the future; and (3) It recognizes the reality that few young adults are ready to be totally independent at age 18 and shoulders some of the State’s responsibility to foster care children who are transitioning into adulthood and whose only parent is the State. She pointed out in the publication that was provided members, tuition waivers were covered on pages 8-9 and endnote 25, in which 15 other states, including neighboring Oklahoma, have either enacted tuition waivers or scholarships or provided funds for the social service agencies in their state to pay for college expenses. (Attachment 4)

Ms. Tibbets also shared with the Committee written testimony from Jennefer Johnson, a former foster care child who “aged out” of the system, and worked her way through the University of Kansas under great difficulty. (Attachment 5) She asked the Committee to consider a possible amendment regarding the provision that an applicant has to apply within one year of reaching the age of 18., page 1, lines 23 through 26. She stated that she would like consideration to amending that to allow for kids who might not graduate by that time because they have had to change high schools three or four times and gotten behind in their classes. She said if they did not graduate until they were 19, they would have already used up their year and the system would have missed them. Ms. Tibbets suggested that the bill should read, “following the date such applicant reaches 18 years of age, or graduates from high school”; so they have that time to complete their requirements for high school graduation.

General Committee questions and discussion followed with questions regarding qualified admissions and ACT testing, the fact that Kansas was overlooking the place where advice should occur which is through SRS and the high schools who have a tremendous responsibility to these youth, the possibility of capping this program as a pilot, and trying to get the foster care children to stay in school and work to graduate.

The fifth proponent to testify was Daisy DeKnight, former foster care child, and she responded to Representative Tanner’s earlier remarks about foster care children not receiving advice and guidance as to planning their future and the possibilities of post-secondary education. She told the Committee that before she turned 18, she had been in 13 foster homes, and she was now 20 years old and a sophomore at the University of Kansas. Ms. DeKnight shared with the Committee the challenges she and other foster care children have faced over the years, and what happens when they “age out” of the system. She testified that she works six days a week and at least 28 hours a week in order to support herself and pay for her schooling. She strongly urged the Committee to pass some sort of legislation that would help the foster care children go on to get a better education, and said she would even be willing to do community service as a possibility for paying back the funds expended.

Ms. DeKnight’s testified that she was able to get a small stipend for \$10 per day her first year, but it was only for one year. She stated that she wanted to work and earn her own way, but stressed that it was extremely difficult to work the hours she works, pay for all her living and school expenses and do well in class. She said her determination to better herself and get a good education was very strong, but most foster care kids do not have the interest or drive due to lack of guidance.

Chairperson Benlon inquired if the system was set up where students like Daisy could be required to do some community service for repayment of scholarships or stipends, and that community service could be in the form of returning to their former high schools and working with students like herself. She said that Daisy could give them some guidance since she has gone through it, and she knows what it takes and could help others in foster care. The Chair asked if foster care children know who the other foster care

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children were or if there was a confidentiality concern there. Ms. McKnight replied that she wouldn't be able to go back and ask who were the foster care students and that would be better to go through the school counselors, but she usually knew who they were by just talking to other kids at school.

Ms. McKnight addressed Representative Tanner's remark about this bill needing to "get real", and she stated that she agreed with him that the proposed bill was idealistic; but, she didn't care what got done or how it got done just so long as foster care kids received some assistance to further their education and give them better guidance for their future choices. She said she was willing to work for it, and do whatever needed to be done to tip the scales in fairness for foster care kids.

Representative Pottorff asked Ms. McKnight if any of the thirteen foster parents she lived with had post-secondary educations, and she replied that she actually had the opportunity to live with the head supervisor of an SRS office, who's husband was an EMT, and knew they both had post-secondary education but did not know how much. She stated that one other family she lived with he was in a high managerial position with Farmland, and that his wife had a business degree. She told the Committee that none of them talked to her about seriously thinking about going on to college or considering other types of post-secondary education. Representative Pottorff inquired if there was anything that she could see the Legislature could do to help foster parents realize the importance of additional education for foster care children. Ms. McKnight suggested that putting together a pamphlet or booklet explaining how the foster care system can affect children emotionally or psychologically at different ages, and make it a guide for different situations that might come up and how to react to them or what to say to them. Her only other idea was more training which she said she would lean towards first.

General Committee discussion and questions continued relating to what kind of counseling she got in high school, whether she got any guidelines from SRS, the double standards between the foster family's children and the foster care children, clarification of what the state money pays for within the foster family homes, and how many foster kids go into military service in order to get their college paid for which apparently there is no tracking system. Representative Tafanelli inquired if they are informed at all about the opportunities the military can give to young people not only educationally but also for purposes of maturing. He said that the military is not for everyone, but it did offer a lot of different programs. Representative Tanner expressed his frustration with the SRS system, and stated he was thoroughly convinced that foster care kids were not receiving the help they needed.

Vice Chairman Krehbiel questioned the way the proposed legislation was written of having a cutoff date for age 19, and if that wasn't too short of a time period especially for the kids that had been bounced around in the system and been in several schools. Ms. McKnight responded that 20 or even 21 would be better as she did not know of any students who lose more than a year or two when being moved around and having to change classes as well as schools.

Andrew Williams, a former foster care child, testified as the sixth proponent in favor of **HB 2956**, and said he was speaking for kids he had seen in the SRS foster care system. He shared with the Committee members what it is like to be a foster care child and the problems they face with or without family support. He talked about the experiences of these kids being moved from placement to placement, and not really having someone to love them and care about them for very long. He stated that kids that are in SRS custody do not have much and what they do have is very unstable and can be taken away at anytime. Mr. Williams told the Committee he was 16 years old and currently a student at Highland Community College after obtaining his GED. He stated that he had been very fortunate in having some family members who cared about him, and also had a good case manager and independent living coordinator. He explained to the Committee what an Independent Living Coordinator does, and he shared that if it wasn't for his Coordinator working with him to attend Kaw Valley that he would never have thought it possible to further his education. He said he has a Pell Grant and also gets some State assistance due to having a heart disability. He encouraged the Committee members to give the foster care children some hope for their futures and the chance to have a dream. (Attachment 6)

Representative Storm asked both the former foster care proponents about their remarks regarding foster care adolescents not getting along with their case managers; and if that was like teenagers not getting along with their parents, their rebellious, they want to go their own way, or they don't want structure put on their lives by their parents. She questioned what causes that, and whether they were people who just don't get it.. Ms. McKnight explained that most case workers don't take the adolescents' feelings

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seriously, they are just there to get the job done and that they don't have the time get involved with each individual case. She said that the case workers are so overloaded and have so much on their minds that they don't have the time to spend listening seriously to everyone's problems or situations. She added that there are good case workers and then there are the ones who just don't have the time or take the time to listen to you; they just want to get their job done and go on to the next. Mr. Williams added that the case workers do not understand where these kids are coming from when they act up and get in trouble. He said he felt strongly if these kids knew they had a chance to go on to college and get a better education or learn a particular skill, that eventually the system would be turned around and there wouldn't be so many kids getting in trouble and failing at life.

Representative Krehbiel pointed out that Mr. Williams raised a very important fact that was excellent in looking at this as a purely dollars and cents standpoint in that the percentage of kids that end up in institutions about a year after coming out of foster care. He said it costs the state money to do that whatever type of institution it might be, and if we could spend the money helping these kids get an education instead of being in an institution then he thought that was a very good investment and a lot more productive.

Marvin Burris, Vice President for Finance and Administration, Kansas Board of Regents (KBOR), testified as a neutral party as to KBOR's position on **HB 2956**. He explained that this bill was subject to appropriations, and therefore, every area vocational school, area vocational-technical school, community college, state educational institution and technical college shall provide for enrollment of eligible foster care applicants without charge of tuition and fees. He said that the bill further provides that, subject to appropriations therefore, the educational institution may file a claim with KBOR for reimbursement of the amount of such tuition and fees.

Mr. Burris further explained what the bill requires in its provisions and that it will expire on June 30, 2006, except for the eligible applicants who received the waiver prior to June 30, 2006, may continue to receive the waivers until they complete their course of study or become ineligible. He said that SRS and the Division of Budgets estimated that each year approximately 150 foster children "age out" of the system, and based on that estimate and current tuition and fee rates at educational institutions, the KBOR were able to project the waiver costs. He clarified these projections was with the assumption that all students would avail themselves of the program and all would attend either to highest or lowest cost institutions. (Attachment 7)

Appropriations would need to be made to the KBOR for the purpose of reimbursing the educational institutions for the amounts of the waivers was emphasized by Mr. Burris. He added that this program along with several proposed new programs for administration by the KBOR would add to the existing administrative workload of processing, tracking recipient status, and collecting and recording loan repayments. Mr. Burris stated that the cumulative effect of the addition of one or all of these programs would be to jeopardize the capability of the current staff to administer all programs effectively.

Mr. Burris concluded his testimony by telling the Committee that the Department of Social and Rehabilitation Services had recommended this program as an incentive for children who have moved out of the foster care system to obtain a college education. He stated that it would be KBOR's suggestion that the program would be more effective, by being seamless to the foster care child, to have SRS receive an appropriation for this program; administer the tuition reimbursement program; monitor the student's progress; and report to the Legislature on the effectiveness of the program.

Chairperson Benlon questioned the possibility of capping out at \$375,000, and that the state could be looking at more than 10% when given the opportunity for additional schooling to be paid for under the waiver program. Representative Wells asked for clarification on the estimated figures when taking into consideration of a lot of students attending community colleges for the first two years and then going on to complete their degrees at a four year institution. Representative Tanner commented that this bill had been blessed by the Appropriations Committee, it was very well intentioned, and would like to see the Committee work with this bill further.

There were no opponents present to speak on this bill, and the Chair closed the hearings **HB 2956**.

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Chairperson Benlon directed the Committee's attention to **HB 2900**. Representative Phelps moved that the bill be passed out of Committee, seconded by Representative Kuether, and the motion carried.

Chairperson Benlon referred the Committee to **HB 2901** for consideration. Representative Sloan made a motion to pas this bill out of Committee, seconded by Representative Pottorff, motion carried.

Chairperson Benlon called the Committee's attention to **HB 2831**. Representative Krehbiel made a motion to amend section 3 to reflect publication in the Register as opposed to the Statute Book. The motion was seconded by Representative Kuether, and the motion carried. Representative Krehbiel moved that **HB 2831** be passed out favorably as amended, Representative Horst seconded the motion, and the motion carried.

Chairperson Benlon called for action on **HB 2821**. Representative Kuether moved to pass **HB 2821** out favorable for passage, seconded by Representative Sloan, and the motion carried.

HB 2820 was brought up for action by the Committee. Representative Kuether made a motion to pass this bill out favorably, seconded by Representative Tanner, and the motion carried.

Chairperson Benlon directed the Committee's attention to **HB 2872** for action. Representative Kuether made a motion for a substitute bill, and explained the changes from the original bill. Representative Storm seconded her motion. (Attachment 8) The Chair opened the floor for discussion on this substitute bill.

Representative Tanner questioned the fiscal impact on this bill. Representative Kuether responded that this would be using money from SRS and the Department of Labor or federal money. Chairperson Benlon read the fiscal note from the Division of the Budget which in essence said according to the KBOR enactment of **HB 2872** would require an additional 1.0 FTE position to administer the Workforce Development Loan Program, an additional clerical position at a cost of \$26,500 annually for salaries and benefits, \$2,500 annually for other operating expenditures, and \$3,000 one-time expense for office space, equipment, and furniture. It also stated that the fiscal effect on the state and these agencies was not accounted for in *The FY 2003 Governor's Budget Report*. (Attachment 9)

Committee discussion included concerns expressed about wanting to add FTE's to run each additional small program that is put under the administration of KBOR, clarification of the loan repayment change from 1/4 to 1/8 even for classes not in their trained field of study or not getting a return on the state's investment, the possibility of not having jobs for graduates to go to in Kansas upon graduation and how the requirement of the loan repayment provision would be enforced. The Chair asked Steve Kearney, representing the Kansas Association of Technical Schools and Colleges, if the graduates would be able to be placed upon graduation. Mr. Kearney replied in the affirmative, and added that if that was a stipulation going into the program, then the students should pay it back and honor that obligation.

Vice Chairman Krehbiel pointed out that the only opposing party on this bill was from Steve Jack from the Kansas Department of Human Resources, and basically he said that it appears to them that this bill would violate the Federal statutes on this specific use of these dollars because all of these federal programs must be administered by Federal guidelines and for the explicit purposes therein. He asked if anyone could shed any light on Mr. Jack's assertion that this bill would not be legal because we are taking federal money and spending it on a purpose for which that money was not allocated. Representative Kuether said they suggested the best thing to do was go ahead and give this a chance, and see what the Federal government would do. She added that this was a nation-wide program that they were addressing, and workforce development was a national problem and this might be a wake up call for the Feds.

Representative McLeland referred to page 7, section 10, regarding the taking of money from Human Resources and SRS, and asked what this was going to do to those two organizations by transferring \$1 million from their budgets to some place else. He also asked what the money was being used for now. Representative Kuether responded that the Joint Committee on Economic Development spent a lot of time studying the workforce development training program, and felt that SRS wouldn't notice the reduction since their budget was so large, but that Human Resources' budget was much smaller.

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Chairperson Benlon asked Representative Kuether to close on her motion for the substitute bill. Representative Kuether stated that workforce development was a huge problem in Kansas, we needed to get serious on it, and wanted to get this bill out there and see what happens. She moved her substitute bill. The Chair called for a vote, and the motion carried.

Representative Cook made a motion to amend the substitute bill changing the repayment formula from 1/4 to 1/8. The motion was seconded by Representative Lane. The Chair opened the floor for discussion. Representative Storm said that most of these programs that these individuals attend were two years programs and the tuition is not high. She explained that if we made it 1/8 and 1/8 was forgiven each year, they would probably say that 1/8 is not too much money and they go ahead and pay it off. After Committee discussion, Representative Cook withdrew her motion.

Committee discussion continued with concern expressed that the technical schools are full, and there was a need to expand their programs so more students could be admitted. Representative Lane explained to the Committee members his knowledge and thoughts on this program, and stated that he thought the legislation should stand on its own feet. Representative Lane made a motion for an amendment to the substitute bill which was distributed to the Committee. (Attachment 10) The motion was seconded by Representative McLeland. Representative Lane clarified his motion on page 4, section 10, starting with line 32. After brief Committee discussion, the Chair called for a vote, and the motion carried.

Representative Cook made a motion to amend the substitute bill on the first page by giving loan priority needs to students who had been or was in the state foster care system. The motion was seconded by Representative Tanner. Committee discussion with staff members centered around the proper wording for the amendment, and it was decided that the amendment would read, "The loans shall be awarded on a priority basis to qualified applicants who have the greatest financial need who were in foster care until such applicant's 18th birthday." Chairperson Benlon called for a Committee vote, and it the amendment passed unanimously.

Representative Tanner moved to pass the bill out favorably as amended, seconded by Representative Kuether, and the motion carried.

The Chair presented Committee minutes of the February 13 and 18 meetings for consideration and approval. Representative Phelps made a motion to approve both sets of minutes upon correction of the February 13 minutes to have the Committee name corrected from Agriculture to Higher Education. Representative Horst seconded the motion, and the motion carried.

The Chair adjourned the meeting at 5:10 p.m. The next meeting of the House Higher Committee will be on call of the Chair.

HOUSE TOURISM COMMITTEE GUEST LIST

DATE Feb. 25, 2002

NAME	REPRESENTING
Michelle Peterson	K Governmental Consulting
Don Ryan	Applied
Gayle Shaw	KAECT
Steve Kearney	Voc tech's
Lore Peterson	K-Store



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COMMITTEE ASSIGNMENTS
 WAYS AND MEANS
 ELECTIONS AND LOCAL GOVERNMENT
 TRANSPORTATION
 JOINT COMMITTEE ON SPECIAL CLAIMS
 AGAINST THE STATE

SENATE CHAMBER

Testimony on HB 2956
 by Senator Dave Jackson
 House Higher Education Committee
 February 25, 2002

Thank you, committee, for allowing me to present testimony supporting this initiative. This bill has been promulgated as a result of hearings held during the interim by the Joint Committee for Children's Issues. Committee members hearing this issue were fully supportive of the concept of this bill, the point of which is that foster care children in the custody of SRS will be eligible for a tuition waiver for eight semesters of higher education provided they remain in good standing with the higher education institution.

This bill, when implemented, will have a number of benefits:

- a) It provides an incentive for foster care children to achieve self sufficiency.
- b) It provides foster care parents a tool to encourage a successful high school experience for the youth in their care.
- c) It pulls in federal education assistance through Pell grants, which are provided to income eligible higher education students.
- d) It may break the cycle of public assistance, and provide the recipient the tools necessary to achieve a higher standard of living.

There are currently ten states with some form of tuition waiver, and eight states with some legislation pending for tuition legislation. (See the table attached.)

I would personally prefer to see an age limit set for persons eligible for tuition waiver in this bill, but I would leave that discussion to the wisdom of the committee.

I would answer any questions.


 David D. Jackson

House Higher Education Committee
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Summary of Tuition Waiver States

State	Name Of Program	Must Attend State Univ.	Age Reqs	Work Full Time/ Full Time Enrollment/ # Students In program	Student Contributions
Connecticut	Post High School Education Program	NO	14-23	Yes/ Yes/ No Cap	\$500.00
Florida	Tuition Waiver	YES	Up to 21	Yes/ Yes/ No Cap	\$0.00
Maine	Tuition Waiver Law	YES	Up to 21	Yes/ Yes/ No Cap	\$300.00
Maryland	MD Tuition Law	YES	14-21	No/ Yes/ 25	\$0.00
Michigan	Tuition Incentive Program	YES	Under 20	No/ Yes/ No Cap	\$0.00
Minnesota	Tuition Waiver Procedure 5.0.3	YES	Up to 21 (some above)	No/ No/ No Cap	Work Cont
Rhode Island	Higher Ed Opportunity Incentive Grant	YES	Up to 21	No/Yes/ 60	\$0.00
Texas	Tuition/Fee Waiver	YES	14 on up	No/ No/ No Cap	\$0.00
Oklahoma	Tuition Waiver	YES	16 to 21	No/ No/ No Cap	\$0.00
West Virginia	WV Foster Care Tuition Waiver	YES	18-24	No/ Yes/ No Cap	\$0.00

Legislation pending or in process in the following States:

Several states have tuition legislation that is either pending or in the process of being developed. These states have similar standards in place as those mentioned previously and all hope to see the legislation passed within the next two years.

Washington—pending
 Arizona—in process
 Montana—in process
 Nebraska—in process
 Arkansas—pending
 North Carolina—in process
 New Hampshire—in process
 Oregon—in process

If tuition waivers pass in these states that will bring the total to 16 states that provide financial resources and realities for foster youth to attend college. Kansas obviously does not have tuition waiver legislation. There have been past unsuccessful efforts on the part of Kansas Department of Social and Rehabilitation Services to advocate for such legislation.

State of Kansas
House of Representatives

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COMMITTEE ASSIGNMENTS
MEMBER: APPROPRIATIONS
HEALTH & HUMAN SERVICES
SOCIAL SERVICES BUDGET

BRENDA K. LANDWEHR
Representative, Ninety-First District

The Joint Committee on Children's Issues spent a part of three of its meetings on youth leaving the Kansas foster care system for independent living, *i.e.*, older teens often identified as those who are "aging out of the system." These are the youth described by the Kansas Appleseed Center for Law and Justice as Kansas' forgotten children. During FY 2001, 144 Kansas youth transitioned out of foster care due to age. The 144 youth had been in the foster care system for an average of 41 months. Of the youth who met with the committee, one had been in foster care from 1994 until her 21st birthday the previous year, one had entered foster care at age 12, and one had been in state custody since she was 6 months old.

The committee met with representatives of the Department of Social and Rehabilitation Services and the private foster care contractors whose "case rate" includes providing independent living services to youth 16 or older in their case load who will be leaving foster care for independent living, a university assistant director of financial aid, and, most compelling of all, three youth who have "aged out" of the Kansas foster care system.

Unlike the average older teen, all but a lucky few of the youth in foster care who are not reintegrated with their families or adopted by the time they turn 18 or complete high school are expected to make it on their own. They do not have:

- A family to help them make the transition from youth to adulthood;
- A safety net of caring adults to see them through the difficult years from 18 to 21;
- A home to come back to for holidays or between jobs;
- Experience with stable employment because of frequent moves from one foster care setting to another;
- Experience with activities of adult living such as finding an affordable place to live, building a budget, managing money, shopping—all the myriad of activities expected of persons living on their own;

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- Adults who encourage them to continue their education or who fight for inclusion of post-secondary education in the youth's case plan;
- Parents to assist them financially or help them secure financial aid if they want to continue their education;
- A stable educational background since they are frequently moved from one foster care setting to another while they are in state custody and therefore from school to school.

While Kansas does not track youth who have been in foster care, data from other states and national outcome studies indicate the odds are stacked against them.

- On average, about half the youth had not finished high school and were not employed.
- The employment and economic outcomes of youth who were formerly in foster care closely parallel those of persons living below the poverty level rather than the general population.
- In a Wisconsin study of homeless adults it was found that 20 percent had lived in foster care.
- Forty percent of former foster youth were dependent on public funding in the form of public assistance, Medicaid, incarceration, etc.

The Joint Committee on Children's Issues concluded there are problems with the Kansas programs intended to prepare youth between 16 and 18 for independent living if their case plan does not include reintegration or adoption. Among them is the failure of the state to provide adequate assistance for those who want to pursue education after they have completed high school or received a GED. While the Chafee Act authorizes federal funding and allows the states to provide a subsidy and Medicaid coverage for those who remain in custody until they are 21 and in school, clearly the availability of such services is not uniformly communicated across the state, nor are youth informed of the potential for post-secondary education and training. Medicaid and some other services should also be available for other youth who choose to leave state custody at age 18, yet not all youth are made aware they may be eligible for health care and other benefits. At the time of the committee study, although private contractors were required to provide independent living services to those youth 16 to 18 whose case plan indicated they would be entering independent living, it was not clear how many were actually receiving such services or receiving appropriate services. One conferee indicated services are not widely available in communities and that preparing youth to "age out" of foster care remains one of the gaps in service.

The committee further concluded Kansas should emulate other states, including our neighboring state of Oklahoma, in providing tuition assistance for youth leaving foster care who wish to continue their education. After looking at laws from some other states and discussing appropriate guidelines for a Kansas program, H.B. 2956 was drafted and introduced.

It is not contemplated that a large number of youth leaving foster care for independent living will take advantage of the assistance program outlined in the bill since only about 10 percent of all youth in foster care go on to some type of post-secondary education or training, but the rewards in the form of young people who are able to participate fully in society and become truly self sufficient could be great.

Kansas Department of Social and Rehabilitation Services
Janet Schalansky, Secretary



Docking State Office Building
915 SW Harrison, 6th Floor North
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House Higher Education Committee, Room 231-N
February 25, 2002 - 3:30 p.m.

Tuition Waivers

Children and Family Policy
Jennifer Propp
785.296.2672

House Higher Education Committee
Meeting Date: 2-25-02
Attachment No.: 3

Kansas Department of Social and Rehabilitation Services
Janet Schalansky, Secretary

House Higher Education Committee, Room 231-N
February 25, 2002 - 3:30 p.m.

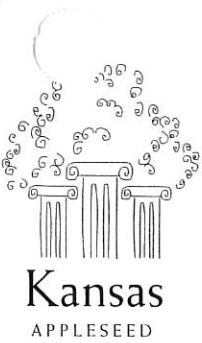
Tuition Waivers

Chairperson Benlon and members of the committee, I am Jennifer Propp, Assistant Director of Child Welfare in Children and Family Policy at SRS. Thank you for the opportunity to appear today in support of House Bill 2956.

I would like to begin by saying this bill is the realization of a dream for the members of the Kansas Youth Advisory Council. The council is made up to six representatives both current and former foster youth, and they have been advocating for such legislation for the past two years. As the council and all of us in this room are fully aware, education is critical to future success and provides the route for social mobility in this country. The push for educational achievement for foster youth is because of the importance adequate education has on other outcomes, like employment, housing, cost to community, and overall self-sufficiency. For some youth in the foster care system post secondary education remains only a dream due to the expense. In Kansas there are approximately 140 to 150 youth who age out of foster care each year. Certainly not all of these youth will move on to post secondary education, however for those that do this legislation will assist in providing the incentive and the opportunity. In fact as some of the research suggests, just the knowledge that post-secondary education is a possibility may lead to improved performance in secondary education. This bill offers an important step toward the commitment and obligation we have as a state to the future of our foster children.

We have one suggested amendment to the bill. There are those rare situations where a youth may graduate from high school prior to their 18th birthday. The way the bill is set up those youth will have to wait until their 18th birthday to take advantage of the tuition waiver. A suggested change would be under section (2) (b) to change the language to include those youth that may have completed high school or their GED prior to turning 18 years of age.

I would like to close by saying thank you for the opportunity to testify in support of this bill. Finally, on behalf of the Kansas Youth Advisory Council and the foster youth they represent I would like to thank you for giving voice to their dream.



Testimony in Favor of HB 2956
House Higher Education Committee, Room 231-N
February 22, 2002

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**Executive Director
Gaye Tibbets**

My name is Gaye Tibbets and I am the Executive Director of Kansas Appleseed Center for Law and Justice, a nonpartisan charity devoted to giving voice to those who otherwise might not be heard. My board of directors, listed to the left, includes lawyers, former judges, former legislators and private citizens. We support HB 2956.

Our organization recently released “Foster Care Teens—Kansas’ Forgotten Children” which has been provided to you. In that report, we review disturbing national statistics for young adults who spent their teens in foster care. Some of the most chilling include the results of a Wisconsin study that showed that within 18 months of their release from foster care 25% of males had been incarcerated, 13% of females had been sexually assaulted and 12% of all young adults had been homeless. A national study found that within a year of being released from foster care 30-48% of youth were back on public assistance.

Your committee can take an important step to improve the plight of former foster care children here in Kansas by passing HB2956. Though 70% of high school graduates in Kansas go on to enter some sort of post-secondary education, the rate for former foster kids is not even half of that, in part because these young adults simultaneously face both college and financial independence. Because they do not have the safety net that parents usually provide, they must work long hours and do without the basics in order to survive.

Giving these former foster care youth a waiver of their tuition accomplishes three things:

- It assists former foster care youth in completing a post-secondary education, which makes it more likely that they will enter the workforce in a job that will pay more, have better benefits and have more room for advancement than an entry level job which requires only a high school diploma or GED. As important, studies show that the higher a citizen’s education level, the healthier the citizen will be and the more likely it is that he or she will have better access to medical and preventative care.
- It gives younger foster care youth who are not yet college age assurance that college may be a possibility for them, which should motivate them to finish high school and make plans for the future.
- It recognizes the reality that few young adults are ready to be totally independent at age 18 and shoulders some of the State’s responsibility to foster care children who are transitioning into adulthood and whose only parent is the State.

House Higher Education Committee
Meeting Date: 2-25-02
Attachment No.: 4

Kansas Appleseed Center for Law and Justice

100 N. Broadway, Lower Level | Wichita, Kansas 67202 | Phone: 316.267.3363 | Fax: 316.267.3429 | E-mail: kansas@appleseed.net

In the publication you have been provided, tuition waivers are covered on pages 8-9 and endnote 25. Fifteen other states, including neighboring Oklahoma, have either enacted tuition waivers or scholarships or provided funds for the social service agencies in their state to pay for college expenses.

The most important testimony today will come from former foster care youth. Selena Hanson of Wichita was originally scheduled, but was unable to testify today because of a personal emergency. She is 24 and aged out of the foster care system in 1996. She received no financial assistance after she aged out. She is still in college because she works and takes only 6-9 hours each semester. When asked whether tuition waiver would have made a difference in her education, she said that it would have made two important differences: First, she would have been able to attend college full-time and she would have a degree by now. Second, she would not be \$20,000 in debt with student loans. As with many of these former foster care youth, Serena is studying to be a social worker. A large number of former foster care youth are studying to be social workers or psychologists. Think of what giving them the opportunity to add their insights could mean to our state and its child welfare system.

This points up my final comment about the youth you will hear from today. They are all talented and incredibly persistent and I am certain that their success despite the lack of support available to them will impress you, but I want you to remember that these are the kids who are making it—even if it is by the skin of their teeth. After hearing from them, I have no doubt that you will want to support this legislation to benefit kids like these. But I encourage you to remember that for every successful and tenacious young person you will hear from today, there are multiple kids who did not make it this far because the odds were just too overwhelming. We need these kids to become productive, employable, successful members of our society—both for their sake and for ours. You can help with that by passing HB 2659.

Thank you for letting me speak and I am willing to answer any questions.

Foster Care Teens: Kansas' Forgotten Children

A Report by
Kansas Appleseed Center
for Law and Justice

February 2002

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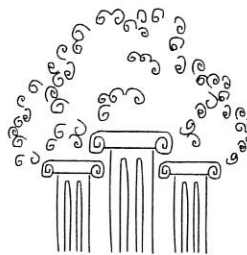
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Acknowledgements

Special thanks to Susan Smith, Carol Weihe, the Appleseed Foundation, Weary Family Trust, University of Kansas School of Social Welfare, SRS Department of Children and Family Policy, Kansas Youth Advisory Council, independent living workers who do their best to change kids lives every day, and to former foster care children who were willing to share their stories.

Child welfare glos-sa-ry

Adoption services—foster care children who have been permanently removed from their homes are referred to a nonprofit organization that the state hires to find them an adoptive home and facilitate their adoption.

Bell evaluation—in 1998 and 1999, a Virginia consulting firm, James Bell Associates, provided a comprehensive evaluation of the newly-privatized Kansas child welfare system.

CASA—an acronym for “court-appointed special advocates,” who are professional or volunteer advocates for children in state custody.

Chafee legislation—a federal law passed in 1999 that provided funds to states so that states could offer specialized services and Medicaid to foster care youth ages 16-21 to assist them in transitioning from foster care to adulthood.

Federal audit—in 2001, Kansas was one of a handful of states whose child welfare system was audited by the Department of Health and Human Services. Only three Kansas regions, none in Western Kansas, were audited.

Independent Living services—specialized training for young adults to provide them with safe opportunities to learn self-sufficiency skills like job hunting, good employee practices, post-secondary education, laundry, budgeting, saving, cooking, shopping, checkbook balancing, household management and self care.

Medicaid coverage—health coverage primarily funded by the federal government for specific categories of individuals including the poor and disabled.

Private contractors, privatization—Kansas is the only state in the nation that contracts out its child welfare services. Five different nonprofit organizations are paid to provide services to children and families, including foster care and adoption services. The private contractors are governed by contracts with the state and each designs its own programs and services.

Stipend—foster care children who are still in the foster care system when they are 18 may be eligible for a temporary monthly stipend of \$300+ in order to help them complete their education or to further prepare for independent living. They must remain in SRS custody, and their entitlement to the stipend depends on the availability of funds and the practices in their location within the state.

THE PROBLEM

Nationwide, society's most poignant failure indicators—homelessness, victimization, incarceration, unemployment, and early parenthood—are disproportionately high among former foster care children. A study in another Midwestern state showed that within 18 months of their release from foster care, 12% had been homeless, 25% of the men had been physically assaulted and 13% of the young women had been sexually assaulted. A significant percentage (40% of women and 23% of men) had received state public assistance. Over 25% of the males had been incarcerated.¹ Conversely, the things we want for our own teens—a high school diploma, a college education, good health and dental care, physical safety, a stable job—have been virtually unattainable for many of the young adults who have spent time in foster care.

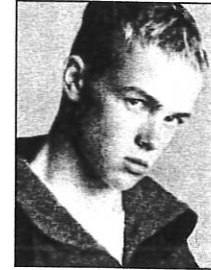
Here in Kansas, the state has never collected data about how teens fare after leaving the state's system and custody, but there is no reason to think that the picture is any less bleak. With the exception of a lucky few, most foster care teens who turn 18 or finish high school exist on their own resources within months of their eighteenth birthday. This sets them apart from the majority of their peers, for whom the years between 18 and 21 are spent acquiring an education while still under the umbrella of their parents' health insurance. Former foster care youth have no health insurance, no childhood bedroom available between semesters, no home to return to for the holidays or between jobs. From the moment foster care teens ask to be released from custody and be considered adults, they are expected to live without a safety net and without connections to adults who could help

them navigate the tumultuous transition to adulthood.

Teens are in an unenviable position as soon as they enter the child welfare system. Few foster homes accept teenagers. In 1999, only 8% of the state's adoptions were of children 15 and older, which means that teens are likely to turn 18

without having found a permanent home. Also, because traditional placements are less available to them, teens are more likely than younger children to be placed in residential treatment facilities or in group homes. Lack of a permanent home means teens are frequently moved while in custody. This transience leaves foster teens behind in education; prevents

them from developing social skills or establishing meaningful relationships with adults; and precludes them from employment or significant job experience. Frequent moves, state policies, institutional living, and lack of attention by the state's child welfare system has resulted in many leaving foster care without a driver's license or the skills and experience needed for everyday living activities like cooking, cleaning, laundry or shopping.



In a national study, one year after having been released from care, only 50% of former foster care youth were able to find jobs and 30-48% were receiving some form of public assistance.

(U.S. Department of Health and Human Services, 1999)

2 THE SOLUTION

Kansas should designate the millions of dollars of federal money that was earmarked for increasing opportunities for foster care teens and young adults on programs for that population rather than using the money to pay private contractors to provide services to children 0-18 years of age.

Recognizing the challenges faced by older children in foster care and exiting foster care, the federal government in 1999 passed the John H. Chafee Foster Care Independence Program of 1999, 42 U.S.C. § 677. Under Chafee, states receive annual funds to provide independent living services to children 16 and older and to supplement the opportunities available to the 18-21 year old population.

Kansas' Department of Social and Rehabilitative Services ("SRS") received \$1,007,944 in 1999 for its 2000-01 fiscal year and \$1,583,555 for its 2001-02 fiscal year.² Because there are approximately 2700 children between the ages of 16 and 21 who have been in foster care during their teens,³ those federal monies should have boosted the independent living services and opportunities to those children and young adults considerably. Unfortunately, across the board, foster parents, foster teens, private contractors, courts, and those who work with that population agree that they have seen little to no difference in services since the infusion of the federal money.



"Becky" was removed from her home during the fourth grade because of her father's life-threatening sexual abuse. Over the next eight years, she lived in nine different foster and group homes. She has no contact with her biological family or any former foster parent. She described her aging out this way: "After growing up in a group home where there is a nose around you and then you're just thrown out one weekend and said 'here's the rest of your life,' I mean, that was a little too much of a shock for me." Becky wanted to go to college, but her \$300+ a month subsidy and financial aid was not enough to support her attendance at a state college. Becky opted for less expensive cosmetology school, though she still dreams of becoming a social worker some day.

The reason services were not improved is that the biggest chunk of the funds, \$900,000, was turned over to the private contractors as part of their "case rate" for the foster kids in their care. The "case rate" is the amount paid per child per month for each child in foster care to cover food, lodging, and all other needs. In other words, Kansas took money that the federal government gave it to meet the specialized needs of a particular group of foster care children, and used it to meet its existing obligation to provide for *all* foster care children, much like a parent taking Grandma's check for a teenager's school supplies and spending it on the baby's diapers.

The shift would be justified if the payment to the contractors came with additional or explicit expectations that the providers would

provide specialized services for 16-21 year olds, but the state contracts did not. In fact, the contracts limit the services that private contractors must provide. To begin with, unless they are wrapping up their high school education, contractors are not contractually required to provide services to those who turn 18 while in custody. Historically, the state's requirements for independent living service in its contract with its providers were so vague that a 1999 evaluator, James Bell, noted that the lack of performance standards resulted in some foster teens receiving no independent living services.⁴

Despite that criticism, when the 2000 contracts with foster care providers were renegotiated a year later they still contained no meaningful performance standards.⁵ Worse, they still provided no services for the transitioning youth, those 18-21 year olds for whom the federal government had designated the money, thus excluding this population from any benefit from the Chafee money.

The allocation of the rest of the 2000 federal money was equally disappointing. About \$70,000 was given to the Juvenile Justice Authority for it to provide food, shelter and independent living services to foster teens in its custody — again, with no specific

requirement that the funds be used to enhance the independent living training received by teens. Part of the federal money was used to pay the salary of an SRS staff person who was already on staff before the money was awarded! Only \$10,761, or about 1%, was awarded directly to programs for foster care teens. Some of this was spent on a youth conference that only 90 of the approximately 2,700 teens were able to attend and some for a summer computer camp that had space for only 20 of the more than 100 foster care teens who applied.

In other words, the federal money eased the burden on SRS to pay for the overall care of its foster care system and for its employees' salaries, but only 1% of it bought



"What happens to kids when they leave the system? Some have babies, some we never hear from, several go home, some get a job, some go to college. After we refer kids back to SRS, we never know whether they fail or succeed."

A private contractor's independent living worker

new or improved services for the teens for whom independence loomed, and NONE of it went to improve the lives of 18-21 year olds.

The 2001-02 money is similarly budgeted, though SRS is taking a bigger cut for itself to fund its employees. In implicit acknowledgment that the funds are not being spent where they could do some good for foster care youth, SRS has expressed that it "intends" to devote



4 more federal funds to independent living. Despite its intentions, two years after receiving the Chafee money, the SRS is still ‘attempting’ to develop statewide programs that ensure all children 16 and older “have access to training and programming that will enable successful transition to adulthood and self sufficiency.”⁶ One wonders how that attempt will be realized when the money is being diverted elsewhere.

|| *SRS should develop a statewide program to assist former foster care youth ages 18-21 and should publicize accurate, consistent information to its staff, to contractors, to the courts and youth who have left the system about services that are available.*

“I am 20 years old and I was emancipated from the system in 2000. I am a sophomore at KU. Before I was emancipated, I asked my social worker if there was some help I could get to go to college. The first social worker I had said she had signed me up for help, the second one said I didn’t qualify, so I dropped it. I have no contact with my family or any of my former foster families. I have been putting myself through college with loans and by working and I don’t have medical insurance. Now I find out that some kids are getting a stipend from the SRS and a medical card. Why didn’t anyone tell me about it?”



“Laura” former foster care youth

“ I had an 18 year-old being served by a private contractor that I hoped would do well. No one bothered to take her over to Job Corps until two weeks before her eighteenth birthday. She ended up getting married to have a place to live.”

A CASA worker

Perhaps the most maligned age group is those youth 18-21 who spent their teens in foster care. Contractors are generally required to provide a child and his or her family with twelve months of follow up services after the permanency goal is achieved (e.g., reunification, adoption). However, if the child simply ages out of the system, the contractor is not contractually required to provide the twelve months of follow up care.¹⁹ SRS is responsible for providing independent living services and financial assistance to youth who have “aged out” and are 18-21. Unfortunately, and perhaps because it diverted the appropriate federal funds elsewhere, the SRS has abdicated this responsibility for most of those over 18, despite the Chafee Act’s clear objective of providing services to those 18-21 who are no longer in state custody. SRS does help 72 of the approximately 1,200 older youth with monthly stipends, but those are the youth who remain in state custody. The rest are left to fend for themselves.

In August 2001, DHHS was dismayed to find that two years after Chafee went into effect “some workers and youth are not aware that independent living services can be used for children 18 years of age and over.”²⁰ The problem had not been corrected by January 2002.

Despite a longstanding history of providing educational subsidies for youth attending post-secondary education, phone calls to eight of

the eleven SRS offices asking whether an SRS subsidy was available for an 18 year-old former foster care teen who was now interested in attending college yielded a variety of responses. Two offices, Wichita and Emporia, were “not aware of anything like that” but suggested that the teen talk to the financial aid office at his or her college. The Chanute office thought “under some circumstances” there might be money available. Garden City thought there might be something available and promised to “do some checking.” Hays knew that “in the past” some kids got help with college, but wasn’t sure that would continue with the budget cuts. Only the Topeka and Lawrence offices knew that an educational subsidy should be available. The first person on the phone in Topeka said, “There are no funds that I know of” but found someone who did know. When some of these same offices were asked whether a struggling 19 year-old who had been out of foster care for more than a year could access funds to help him get on his feet, each office said no. SRS has represented to the federal government in its accounting of Chafee funds that three to six month subsidies are available to 18-21 year olds who are no longer in custody in order to help them relocate, find employment or finish high school. If local SRS offices do not know about the subsidies’ availability, how would struggling former foster care youth ever be able to locate it?

The SRS needs to immediately educate its own workforce and all of its contractors about the state’s obligation to assist 18-21 year olds. Then it should undertake a significant publicity campaign designed not only to reach its own employees and the private contractors, but also, and more importantly, to *notify the vulnerable youth themselves*. To continue

failing to do so is continuing to fail to use the Chafee money for the population for which it was intended.

■■■ *SRS should ensure that youth ages 16-21 who are in state custody have the same opportunities for health care, skill building, and education, regardless of where in the state they are placed, by requiring specific, consistent, effective statewide services and monitoring those requirements.*

All stakeholders including SRS, contractors, courts and foster families, acknowledge that the two factors which most influence the kinds of independent living services or opportunities available to a foster care teen are geography and luck. As recently as September 2001, SRS acknowledged that “There is variance among the contractors as to the extent and delivery of independent living services,” and that “[n]ot all youth in all areas receive sufficient and timely services”⁷ This is not news; SRS has been aware of this shortcoming for years, but its efforts to address it have been glacial.



“If I could just get some new computers and a modern cash register and teach these kids some basic skills, it would make a world of difference in their confidence and their ability to get a job.”

A private contractor's independent living trainer

6 Way back in 1999, evaluator Bell warned, “It is unclear whether teenagers waiting for adoption receive quality Independent Living services. *There is a danger that these children will simply age out of the system without being adopted or receiving the necessary services to prepare them for their release from custody.*”⁸ Bell also recommended better tracking of outcomes for older youth and recording the number of children aging out of the system and whether they received independent living services prior to release.⁹ Since 1999, approximately 1,200 18 year-olds have left the system, and still there is no information about their subsequent success or failure.

It is clear that in the bidding process for the 2000 foster care/reintegration contracts, SRS knew that some contractors were not providing independent living services. In a note to one contractor, SRS was direct: “It is the experience of SRS staff that Independent Living services are not available for older youth. Independent Living tasks are listed on case plans, but there is no documentation available which would support that there is any sort of program available regarding Independent Living. Please . . . indicate why services do not seem to happen for older youth.”¹⁰ Furthermore, SRS noted that another contractor “historically” did not provide the type of independent living services described in representations it made in winning its contract.¹¹

Despite Bell’s warnings in 1999, SRS’s awareness of the lack of services for older teens since 2000, and the passage of over two years, independent living services remain inconsistent across the state. Private

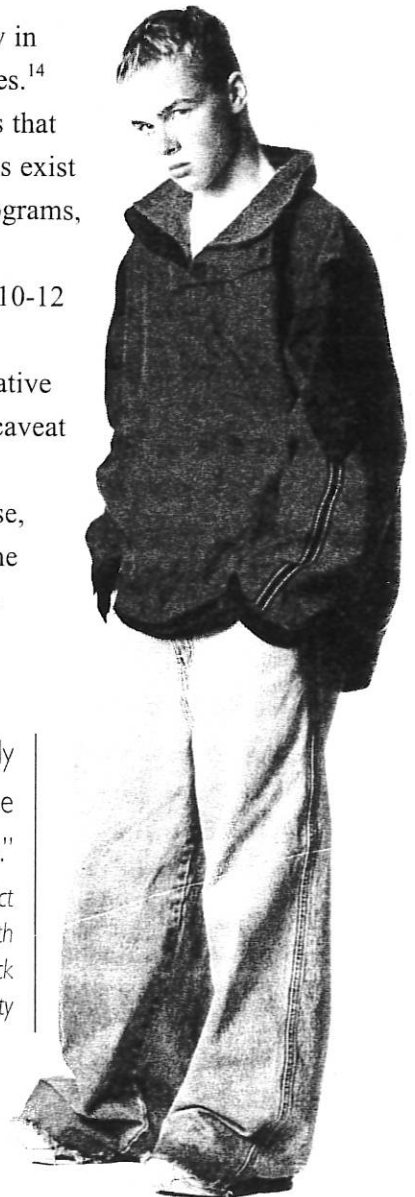
contractors are not required to implement *any* specific programs; nor do they know which programs are being offered by one another or which programs offered by other contractors have been successes or failures.

In a pattern that has become depressing, in the August 2001 federal audit, the Department of Health and Human Services (“DHHS”) found *yet again* that: “Not all youth in all areas receive sufficient and timely services.”¹² Children are aging out of the system “without the necessary life skills training.”¹³ DHHS appropriately criticized SRS’s foot dragging and the lack of supervision of their contractors, noting that once needed services were identified in a case, providers were slow in initiating the services.¹⁴

No one disputes that impressive programs exist for some. These programs, some of which accommodate only 10-12 young adults, are showcased in legislative hearings without a caveat as to their limited availability. Likewise, SRS represents to the legislature both that

“Foster kids already feel that they’re on the outside looking in.”

Hon. James Burgess, district court judge, Eighteenth Judicial District, Sedgwick County



teenagers will gain independent living training in their foster families and that the foster care and adoption contractors are delivering the “vast majority” of independent living services.¹⁵ Both of these representations are suspect, given that case workers and foster parents have repeatedly complained about SRS’s lack of guidance on how to provide independent living training.¹⁶ If the foster home is unable to provide independent living training, then independent living classes are supposed to be available to the teen,¹⁷ but it is not clear whether SRS and/or contractors mandate or track whether teens take independent living classes. Independent living classes may be the easiest service to provide, but they are the least effective method of addressing the skills most needed by youth on the brink of adulthood.¹⁸ Even those classes are not consistently available throughout the state and their unregulated content varies widely. One foster mother complained that her teen’s “independent living” class, provided by a private contractor, was frequently canceled and, when it occurred, consisted almost exclusively of repeated viewings of AIDS prevention films. SRS needs to give contractors specific requirements and audit to be certain those requirements are met.

IV *Kansas should accept the federal government’s offer to provide Medicaid coverage for youth aged 18-21 who “aged out” of the foster care system by legislating the funds to match coverage.*

The Chafee legislation allows states to offer Medicaid coverage to all youth 18-21 who were in foster care when they reached their 18th birthday.²¹ This option insures that

When Michael was 18, he got lucky. Before that, his life had been anything but lucky. He had been removed from his home in Kansas City, Kansas, as a child and spent several years in foster care, including a stint in Wakeeney, Kansas which Smith, an African American, described as a city made up of “a whole lot of white people.” He had some trouble with the law, and heard from his social worker “maybe once every six months.” But things turned around for him when his older brother refused to let him settle for a high school education. During the hearing for Michael to be released from state custody, his brother interrupted and asked the judge why there wasn’t anything that the state could do to help Michael go to college. The judge asked his caseworker to look into it and Michael became a recipient of SRS’s educational subsidy. In order to receive a monthly check for a little over \$300 and Medicaid coverage, Michael stayed in SRS custody until he was 21. He will soon earn his degree, and, though he has received financial aid, he will leave college in debt for thousands of dollars of student loans. His experience raises an important question:

Given that Michael was a child raised in the foster care system, why was Michael’s brother the only person pushing for his education?

even those teens who leave custody can take with them the safety net of Medicaid until they get on their feet. In the past, the handful of teens who remained in SRS custody so that they could attend college or because they were unable to make it on their own were allowed to continue Medicaid coverage, as were some teens over 18 who were no longer in custody.

8

The SRS has claimed for years that it is 'attempting' to expand medical coverage through the Chafee Foster Care Independence Program,²² but its failure to do so has left hundreds and maybe thousands of former foster care youth uninsured. Recent budget cuts have stymied efforts within the agency to fund the Medicaid match.

In the spring of 2001, independent living coordinators across the state were told that those in custody who applied for Medicaid after turning 18 would receive coverage. Coordinators applied on behalf of teens who were to leave custody or told the teens to do so themselves, but many were rejected because

despite representing that it 'intends' to do so, the state has not made available its share of the Medicaid match so that it can provide Medicaid coverage to former foster care youth. SRS does provide the benefit selectively, but discretion about whether to provide a youth a Medicaid card is left to the heads of the different area offices.

Consequently, a 19 year-old in Wichita may go without Medicaid coverage while a similar teen in Garden City may have full coverage. This is yet another disturbing example of geography and luck mandating a young adult's risk and opportunities. Experts

estimate that offering the three years of Medicaid coverage to teens who leave foster care would result in 75% of those young adults being covered by medical insurance.²³ These are young adults whose unmet needs for services like medical and dental care will yield a lifetime of consequences. Currently, the only way for a healthy young woman who ages out of foster care to be assured of continuous medical care is to get pregnant at 18—a policy that sends a frightening message.

V | *Kansas should adopt tuition waivers for post-high school education for young adults who are still in the state's custody when they turn 18.*

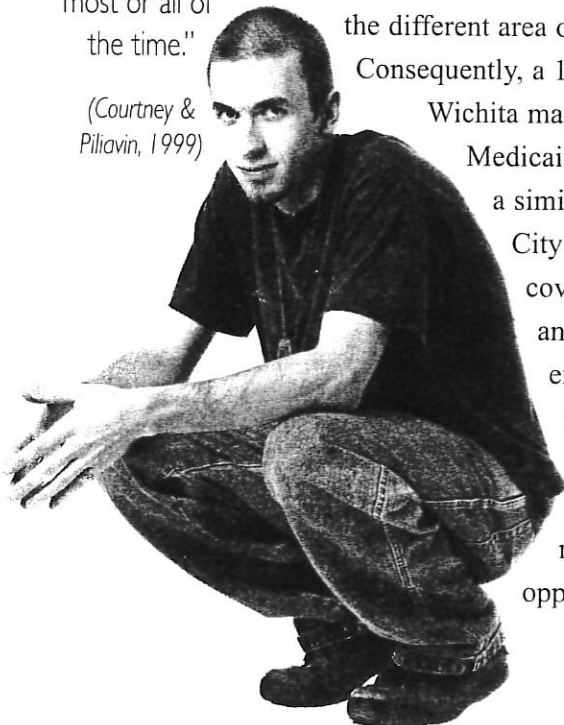
Another of the Chafee objectives that has received short shrift in Kansas is its goal of assisting foster children to prepare for and enter post high school education. Notably, preparation for college is not a part of the Transition to Adult Living checklist required from foster care providers, nor is it mandated in foster care contracts.

Statewide, over 70% of high school graduates attend post-secondary education.²⁴ Kansas does not keep records of the college attendance of foster care teens, but a reasonable estimate is that 10% have education past high school.

Fifteen states, including neighboring Oklahoma, provide former foster care youth with assistance in the form of scholarships or the waiver of all or part of their college or vocational school tuition.²⁵ Though a young adult who has been in custody will likely qualify for federal financial aid, that aid is not enough to pay for tuition, books, living expenses and transportation. Former foster care

In a Wisconsin study, in the year after their emancipation, 44% of former foster care children report having problems in obtaining health care "most or all of the time."

(Courtney & Piliavin, 1999)



Rachel is a freshman whose tuition is paid for by a theater scholarship she received for her flair for the dramatic. She spent almost her entire life in the foster care system, attending five high schools in four years. In one group home she was not allowed to call her siblings, and though she repeatedly called her social worker crying, the worker never returned her call or paid her a visit. Finally, her aunt took her in. She never received any independent living training until, at 18, she voluntarily attended classes provided by SRS. She did not learn to drive until she was 18. Now she receives an educational subsidy, and works 20 hours a week during school and 70 hours a week during school holidays, trying to stay out of debt. She has received conflicting information about whether she will remain eligible for Medicaid coverage, and worries that she has no room in her budget for health insurance, health or dental care. If she gets sick or injured, her dreams of college may be over.

children report that despite federal aid and working one and sometimes two jobs in order to support themselves while attending college, they are still leaving school with large student loan debt. There is no money for the things most college students don't have to give a thought about—health insurance, dental care, and medical care. Other things most students take for granted—a home computer, reliable transportation, or an emergency fund—are simply unavailable on a budget that operates without a safety net. The state is these young adults' parent—it needs to act like one.

CONCLUSION

The state's child welfare system has forgotten its teenagers and young adults during a time in their lives when most parents are devoting extra time and resources to helping youth transition to adulthood. SRS squandered the federal grants that were to provide services to this group on a population that did not even include 18-21 year olds. It has not publicized the availability of services that it claims are available to young adults who should be expected to need a helping hand. The state can remedy its years of neglect by limiting Chafee funds to use for specialized programs; by matching federal funds to provide all former foster care children Medicaid coverage until they are 21; by requiring specific, comprehensive and effective services to be offered statewide, by auditing that requirement and sanctioning those contractors who do not comply; and by enacting legislation that allows tuition waivers for former foster children. These reforms will ease the transition that foster children must make from difficult childhood to adulthood and help prevent them from becoming discouraged, frustrated, in debt, ill, or lifelong residents of the state welfare or penal systems.

- 1 Mark E. Courtney & Irving Pilavin, University of Wisc. *Foster Youth Transitions to Adulthood: Outcomes 12 to 18 months After Leaving Out of Home Care* 1-16 (1998)
- 2 Response to Open Records Act Request compiled by David Beukelman, SRS 12/14/2001
- 3 2001 Independent Living Report, SRS (not yet released)
- 4 Bell Associates External Evaluation (rev. 4/28/00) at 146 and 157.
- 5 All contractors have agreed to complete a Transition to Adult Life checklist for youth leaving custody. Their contracts provide that 80 percent of the 18 year-olds they serve can earn two thirds of the points on the checklist. The checklist criteria are disappointingly vague and easily met by youth unprepared for self-sufficiency. For example, contractors must report whether the teen has "set and achieved independent living goals," with no definition of what the breadth or depth of those skills might be. Also, the teen should either have completed high school, received a GED or be "actively seeking" one of these. No one would presume that a teen over 18 who is still "actively seeking" a high school diploma or GED is equipped to be self-supporting in today's market. To meet the employment criteria, a teen need only be employed in "a paying job" one third of the time during the past six months. A number of part-time or intermittent or even temporary jobs (i.e., baby-sitting, lawn-mowing) at a wage rate insufficient for support would earn a full score on the "work experience" part of the checklist. No one would advocate that this checklist ensures that foster children are ready to live independently.
- 6 SRS Statewide Assessment (June 1, 2001) at 63-64.
- 7 SRS Statewide Assessment (June 1, 2001) at 64.
- 8 Bell Associates External Evaluation (rev. 4/28/00) at 146.
- 9 Bell Associates External Evaluation (rev. 4/28/00) at 157.
- 10 United Methodist Youthville Vendor's Response to RFP 00573 at Questions at 17-18 [Region 5].
- 11 Kansas Children's Service League Vendor's Response to RFP 00573 at 44 [Region 3].
- 12 U.S. Dept. of Health and Human Services Child and Family Services Reviews Final Assessment Kansas (Aug. 2001) at 62.
- 13 U.S. Dept. of Health and Human Services Child and Family Services Reviews Final Assessment Kansas (Aug. 2001) at v. *Id.* at 18-19.
- 14 U.S. Dept. of Health and Human Services Child and Family Services Reviews Final Assessment Kansas (Aug. 2001) at 29-30.
- 15 SRS Independent Living Services Report to Joint Committee on Children's Issues (Sept. 28, 2001) at 1.
- 16 Some foster parents are not "receiving the independent living training that is needed to help them work with older youth." U.S. Dept. of Health and Human Services Child and Family Services Reviews Final Assessment Kansas (Aug. 2001) at v. "Foster parents do not always receive training for special needs children, i.e., independent living, adolescents, and SED." *Id.* at xi. *Id.* at xiii, 19. SRS Statewide Assessment (June 1, 2001) at 47, 51-58.
- 17 SRS Annual Progress and Services Report (c. Sept./Oct. 2001) at 34. Chafee Foster Care Independence Program, State Plan 2001-2004 (undated) at 4.
- 18 SRS Independent Living Services Report to Joint Committee on Children's Issues (Sept. 28, 2001) at 2.
- 19 SRS RFP 00573 for Statewide Foster Care/Reintegration Program, FY 2000, at 24-27.
- 20 U.S. Dept. of Health and Human Services Child and Family Services Reviews Final Assessment Kansas (Aug. 2001) at vi.
- 21 SRS Independent Living Services Report to the Joint Committee on Children's Issues, September 28, 2001, Attachment 1.
- 22 Chafee Foster Care Independence Program, State Plan 2001-2004 (undated) at 6.
- 23 *Handbook of FAQ about the John Chafee Foster Independence Act* published by the National Foster Care Awareness Project. The entire publication is available at www.nrcys.ou.edu/
- 24 Kansas Kids Count Data Book 2001, found at www.socwel.ukans.edu/~kidcount/indicate.htm (data is for 1999)
- 25 The states that have some form of tuition waiver or other scholarship assistance available for former foster care students are **Oregon** (Former Foster Care Children Scholarships, <http://www.osac.state.or.us/>); **Texas** (Tex. Educ. Code §54.211); **Connecticut** (Social Services Department pays for tuition, books, room and board and health care to age 23 www.state.ct.us/DCF/Policy/adoles42/42-20-21.htm); **Florida** (FSA §240.235(5)); **Maine**(20-A MRS §12572 Provides that the state institution of higher learning absorbs the reduction in revenue and limits to 25 each year www.nrcys.ou.edu/TuitionWaivers/ MN_LD708.doc); **Maryland** (Md. Education Code Ann. § 15-106.1. (2000)); **Michigan** (Michigan Tuition Incentive Program); **Minnesota** (M.S. 136F.79, Subd. 1); **Rhode Island** (Higher Ed Opportunity Incentive Grant limits waivers to 60); **Oklahoma** (O.S.A. 70-2230; applies to age 26); **West Virginia** (W. Va. Code § 18-B-10-7b (2001)); **Virginia** (V.S.A. 23-7.4:5); **Kentucky** (K.R.S. §164.2847); **Massachusetts** (funded by the Board of Education, provides for waiver of 50% of tuition and fees www.nrcys.ou.edu/TuitionWaivers/ma.html); **Alaska** (University of Alaska provides five scholarships per year www.hss.state.ak.us/dfys/IndependentLiving/WhatsNew.htm#Tuition%20Waivers)

**TESTIMONY IN SUPPORT OF HOUSE BILL 2956
FEBRUARY 25, 2002**

My name is Jennefer Johnson and I am a former foster child who "aged out" of the system. I am writing in support of the HB 2956 presented today.

I spent two and a half years in foster care and stayed in over 9 homes and switched schools seven times within this period. Never adopted, I aged out of the system with no resources for my future plans of attending college. Social workers gave me mixed messages about what types of funds were available to assist me. Eventually they told me that there were no such funds.

At 18, I set out on what would be the hardest of all journeys. . . and completely alone. I purchased a vehicle on my own and relied on the kindness of what little support group I had managed to create for myself. Alone and with no one to fall back on, I took out loans and worked my way through college at the University of Kansas.

Going to school full time and working 35-40 hours a week takes it toll on class attendance and your gpa overall. While most college students longed for summer and breaks. . . I dreaded them. When the dorms closed I had to find a place to stay. I don't have a family to go home to.

Working became more important than class. I knew that by summer I would definitely need to be in an apartment. For most college students, education is a priority over work, but for me work has to be a priority over education. If I can't pay the bills, I can't go to school because I don't have a choice. I only have me and it is sink or swim.

Every day I pray for an easier way to make it in this world. I have the dreams and the ambitions, but not the adequate resources to do what I need to do. I know that I am not the only one trying to make a better life for myself. I fought so hard to be where I am. I feel like the foster care system is one that sets people like myself up for failure.

I don't deserve to fail. I worked hard in high school to catch up and to maintain a high gpa. I took honor classes and did extremely well despite my circumstances. I deserve to go to college. I deserve this opportunity and without some sort of resources, I fear that I won't be able to finish any degree. I fear that I will end up one of the statistics of foster children who fail outside the system. I fight each day to make sure this does not happen. Who I am and what I have been through is unfair to say the least and continues to be unfair as I struggle to do the impossible.

This bill is important not only for me but also for my younger sister who waits in Foster Care and in two years will start the same battle I am fighting. If I fail, she won't even try to go to college, which would be a terrible waste. She and I are both equipped with the drive and the intelligence, we just need the financial support.

I truly believe that so many of us have so much to offer this world and that higher education is the key to developing our talents. So I am not just asking you to pass a bill but for you to give me a chance at life--***a chance at a dream that has kept me going when everything in my world seemed to stop.*** Thank you for your time in hearing what I have to say. Please pass HB 2956.

There are many very good reasons why kids in SRS custody should be able to get their college paid for in full. First, kids in SRS custody do not have much and what they do have is very unstable and can be taken away at anytime. Second, kids in SRS custody are just that, kids. Their reality is constructed by what is around them and with out hope their realities and life are very grim. Finally, their is not a better way to place hope in the heart of a child in a system that is far from perfect and will never come close to what we all want it to be. Today I will explain why kids in SRS custody should be able to receive their college paid in full by sharing my insight into the heart of these kids.

I have been very fortunate to have a family that cares about me. Although my family has been incredibly unstable, I still have family members that care for me. I was placed in SRS custody at the age of 13. I was living with my father who did not care about me and I honestly believe he took pleasure in seeing me in emotional turmoil. I came to live with him after my mother tried to stab me with a butcher knife whenever she was coming down off of coke and was drunk. All I had around me were negative influences. I had people who were deep into the drug world trying to make me a criminal. Whenever I got placed into SRS custody I was on probation, attending school at the detention center, and living with a father who does not care about me. I felt very hopeless and I tried to commit suicide. Since then I have gained a lot of insight into other kids in SRS custody. I have came in contact with many kids who do not even have a family and I see their hopelessness, their anguish and their hidden selves buried underneath shattered desires.

Kids in SRS custody do not have much and what they do have can be taken away at any moment. Kids in SRS custody are taken away from their surroundings, which include family, friends, school, and the whole area where they have lived. These kids have come from broken homes and then they are placed in the system. Most kids move from placement to placement never being able to define such a place home. They are placed into group homes where the majority of the "STAFF" really doesn't care about the children and if the children are lucky enough to find staff member that does they will not feel loved. The adult figure that they live with that may show that they care is labeled staff. Even if they do "run" into a staff member that cares chances are the child won't be staying in that placement for very long. How would a child define such a life? How would a child in such a life define their worth? How could anyone expect those children to have any hope? All they can hope for is for someone to love them, but that simple concept is a very distant for those kids. If they can't even believe they are able to be loved, how hard would it be for them to believe they can have a better future?

Kids who are in SRS custody experience more loss than most people can imagine. They experience many things. These kids are fed more adapted deceit than most can imagine. Kids in SRS custody meet up with other kids in SRS custody who have been brought from an abusive, destructive environment and then placed into the system. These kids are just that, kids. How does someone expect a child to adapt under those circumstances? Whenever you are a child your reality is under construction. These kids experience great amounts of pain. What reason do they have not to give into the pain? It's easy for someone who is watching on the outside to say there are plenty of reasons to move on and act in a certain manner. But whenever your reality has been constructed in a way that pain and loss are the dominant aspects of life, unless something is set in stone you will not believe it.

These kids share their realities with each other. A lot of these kids are sad, angry and hopeless. These kids share their hopelessness with each other. Their hopelessness, sadness and anger are all they have to believe in. They can't really believe in happiness or have any hope for the future when all of their hopes have been crushed time and time again.

I have seen kids in SRS custody who are labeled juvenile delinquencies and supposedly do not care about anything cry and express their hopelessness on a daily basis. I know what it is like to be hopeless. A year ago the thought of me going to college made me laugh. Like I said before I am very fortunate to have some family members who care about me. I have also been very fortunate to have a good case manager and independent living coordinator. With out those factors in my life there is no way I would have never believed that I could go to college.

Most kids that are in SRS custody are not as fortunate as I have been. They are hopeless about their future and believe they are destined to live life with the pain that they have experienced. If they knew that they could go to college and they could have a better life it would instill hope in their hearts. They need something positive that is set in stone and that they can believe in otherwise they have no real reason to believe in a possibility of a better life. Every dream begins with hope; please give these kids some hope.



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**TESTIMONY ON HB 2956
HOUSE HIGHER EDUCATION COMMITTEE
KANSAS BOARD OF REGENTS
February 25, 2002**

HB 2956 provides that, subject to appropriations therefore, every area vocational school, area vocational-technical school, community college, state educational institution and technical college shall provide for enrollment of eligible foster care applicants without charge of tuition and fees. The bill further provides that, subject to appropriations therefore, the educational institution may file a claim with the Board of Regents for reimbursement of the amount of such tuition and fees.

The bill requires the CEO of the Board of Regents to report to the 2004 and 2006 sessions of the legislature on the results, outcomes and effectiveness of the tuition waiver program authorized by the bill. The bill requires the Board of Regents to adopt rules and regulations requiring eligible applicants to be enrolled as full-time undergraduate students in good academic standing and to maintain part-time employment to remain eligible. The provisions of the bill expire June 30, 2006, except that eligible applicants who received the waiver prior to June 30, 2006, may continue to receive the waivers until they complete their course of study or become ineligible.

SRS has estimated that each year approximately 150 foster children “age out” of the system at age 18. Based on these estimates and current tuition and fee rates at educational institutions, ranges of total waiver costs can be projected. The projected ranges assume that all students will avail themselves of the program and all will attend either to highest or lowest cost institutions.

	All 150 Attend Highest Cost* Institutions	All 150 Attend Lowest Cost* Institutions
Year One - 150 Students	\$428,850	\$187,500
Year Two - 300 Students	\$857,700	\$375,000
Year Three - 450 Students	\$1,286,550	\$562,500
Year Four - 600 Students	\$1,715,400	\$750,000
Total Waivers After 4 Years	\$4,288,500	\$1,875,000

Appropriations would need to be made to the Board of Regents for the purpose of reimbursing the educational institutions for the amounts of the waivers. Although the bill calls for the expiration of the program June 30, 2006, administration of this program could require a considerable amount of staff time and effort if the program involved the numbers of students shown above. In addition to processing vouchers for reimbursement of tuition waivers, staff would need to confirm that students in the program were enrolled in good academic standing and that they were employed part-time. Board staff resources are stretched beyond reasonable capacity. Hearings have been held this session on several proposed new programs for administration by the Board of Regents. These programs would add to the existing administrative workload of processing, tracking recipient status, and collecting and recording loan

House Higher Education Committee

Meeting Date: 2-25-02

Attachment No.: 7

repayments. The cumulative effect of the addition of one or all these programs would be to jeopardize the capability of the current staff to administer all programs effectively.

The Department of Social and Rehabilitation Services has recommended this program as an incentive for children who have moved out of the foster care system to obtain a college education. We would suggest that the program would be more effective, by being seamless to the foster care child, to have SRS receive an appropriation for the this program; administer the tuition reimbursement program; monitor the students' progress; and report to the Legislature on the effectiveness of the program

*The costs above are based on the average FY 2002 tuition and required fees at the various institutions, as follows:

KU, KSU, WSU Average	\$2,859
ESU, PSU, FHSU Average	\$2,280
Community Colleges Average	\$1,468
Technical Schools\Colleges Average	\$1,250

The rates are based on a fulltime student taking 30 credit hours for the state universities and community colleges and 1,116 clock hours for the technical schools and colleges. The above amounts do not include registration, laboratory and other fees which may be unique to each institution.

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By Committee on Higher Education

AN ACT establishing the workforce development loan program; concerning such loan; creating a fund; providing for loan repayment, forgiveness and administration thereof; amending K.S.A. 72-4433 and repealing the existing section.

Be it enacted by the Legislature of the State of Kansas:

New Section 1. (a) There is hereby established the workforce development loan program act.

(b) Within the limits of appropriations and private contributions therefor, and in accordance with the provisions of this act, the state board of regents may award such loans to Kansas residents who are enrolled in or admitted to an area vocational technical school, technical college, community college or vocational school coordinated under the state board of regents and who enter into a written agreement with the state board of regents as provided in section 2 and amendments thereto.

(c) The board of regents may accept any private contributions to the program. The chief executive officer of the board of regents shall turn such contributions over to the state treasurer who shall deposit such moneys into the workforce development loan fund.

(d) After consultation with the secretaries of the departments of human resources, social and rehabilitation services and commerce and housing, the board may establish a list of education programs in which an applicant must enroll to be eligible for a loan under this program.

(e) The loans shall be awarded on a priority basis to qualified applicants who have the greatest financial need. All loans shall be awarded to resident students attending area vocational technical schools, technical colleges, community colleges or area vocational schools. Special preference shall also be established for residents drawing unemployment compensation or such residents who were laid off from employment within the prior six months. The board may also establish preferences for workers deemed to be eligible for North American free trade agreement transition assistance under United States

department of labor standards or the Kansas department of human resources standards.

(f) Loans awarded under this program shall be awarded on an annual basis and shall be in effect for one year unless otherwise terminated before the expiration of such period of time. Such loans shall be awarded for the payment of tuition, fees, books, room and board and any other necessary school related expenses.

New Sec. 2. (a) The applicant for a workforce development loan shall provide to the board of regents on forms provided by such board all information requested by such board.

(b) As a condition to awarding such loan, the state board of regents and the recipient of such loan shall enter into an agreement which shall require the person receiving the loan to:

(1) Complete the required course of instruction and receive the designated degree, certificate or diploma for that course of instruction;

(2) continue to live and work in Kansas after the recipient's course of instruction is completed until the loan is totally forgiven. Agree that for each year of living and working in Kansas, 1/4 of the total loan amount's principal and interest that accrued during the prior year shall be forgiven;

(3) agree that the service commitment for each agreement entered into under this section is in addition to the service commitment contained in any other agreement which has been or may be entered into under this section for the purpose of obtaining a loan;

(4) maintain records and make annual reports to the chief executive officer of the board of regents or such executive officer's designee as required to document the satisfaction of the agreement terms of the loan; and

(5) repay any amounts required upon the recipient's failure to complete the terms of the agreement.

(c) Such agreement shall establish a repayment schedule requiring the recipient to begin making payments one year after the discontinuance of the recipient's enrollment in a Kansas

educational institution, either by failure to attend, completion of the program or at such other times as the board deems appropriate.

New Sec. 3. (a) Upon completion of the recipient's program of study, the recipient shall be eligible for forgiveness of the loan by living and working in Kansas.

(b) By annually providing to the board of regents the required documentation certifying that the recipient worked and lived in Kansas throughout the prior year. Such documentation shall be provided to the board of regents within 30 days of the annual due date calculated from the completion of the course of study.

(c) If the required documentation certifying that the recipient lived and worked in Kansas is not received in the prescribed time by the board, the remaining loan amount shall be due and payable as prescribed under section 4, and amendments thereto.

(d) Interest rates on the loan shall be determined by the state treasurer according to the interest rate received on the state idle funds plus 3%.

New Sec. 4. (a) Except as otherwise provided in section 5, and amendments thereto, upon the failure of any person to satisfy an obligation incurred under the loan agreement as provided in section 2, and amendments thereto, such person shall repay to the state treasurer an amount equal to the total of (1) the amount of money received by such person pursuant to such agreement, plus (2) accrued interest, calculated at the interest rate on the state idle funds plus 3%, from the date such money was received.

(b) Each person required to repay any amount under this section shall repay an amount totaling the entire amount to be repaid under all such agreements for which obligations are not satisfied, including all amounts of interest at the rate prescribed in subsection (a). Except as otherwise provided in this section, such repayment shall be made in installment payments determined by the state board of regents as provided in

subsection (c) of the section 2, and amendments thereto.

(c) All installment payments under this section shall commence six months after the date of the action or circumstance that causes the failure of the person to satisfy the obligations of such agreements, as determined by the state board of regents based upon the circumstances of each individual case. If an installment payment becomes 91 days overdue, the entire amount outstanding shall become immediately due and payable, including all amounts of interest at the rate prescribed.

(d) The total repayment obligation imposed under all agreements entered into as provided in section 2, and amendments thereto, may be satisfied at any time prior to graduation by making a single lump-sum payment equal to the total of (1) the entire amount to be repaid under all such agreements upon failure to satisfy the obligations under such agreements to practice in Kansas, plus (2) all amounts of interest accrued thereon at the rate prescribed in subsection (a).

(e) The state board of regents is authorized to turn any delinquent repayment account arising under the workforce development loan program to a designated loan servicer or collection agency, the state not being involved other than to receive payments from the loan servicer or collection agency at the interest rate prescribed under this section.

New Sec. 5. (a) There is hereby established in the state treasury the workforce development loan fund. The state board of regents shall remit all moneys received under this act to the state treasurer at least monthly. Upon receipt of each such remittance the state treasurer shall deposit the entire amount thereof in the state treasury, and such amount shall be credited to the workforce development loan fund.

(b) The state treasurer, upon receipt of moneys from persons making payments under sections 2, 3 and 4, and amendments thereto, shall deposit the entire amount thereof in the state treasury, and such amount shall be credited to the workforce development loan fund. Moneys from the fund may be used to

administer the workforce development loan program as authorized by appropriations acts.

(c) All expenditures from the workforce development loan fund shall be made for the purposes of this act and shall be made, in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the executive officer of the state board of regents or such executive officer's designee.

New Sec. 6. (a) The state treasurer shall be the receiving agent for loan payments and credits received under the provisions of this act. The state treasurer shall keep a record of payments received from each person and credited to such person's account obligation.

(b) The state treasurer shall send all accounts which are three or more months delinquent to the executive officer of the state board of regents.

(c) The state treasurer shall adopt rules and regulations to administer the state treasurer's duties under the provisions of this act.

New Sec. 7. (a) Except as otherwise specified in the agreement, an obligation under any agreement entered into under the workforce development loan program shall be postponed: (1) During any required period of active military service; (2) during any period of temporary medical disability during which the person obligated is unable to work; (3) during any period of time the person is on job-protected leave under the federal family and medical leave act of 1993; or (4) during any period of time the state board of regents determines that the person obligated is unable to work because of special circumstances. Under clause (1), an obligation to work and live in Kansas in accordance with an agreement under section 2, and amendments thereto, shall not be postponed more than five years from the time the person's obligation to work and live in Kansas was to commence under any such agreement. An obligation to work and live in Kansas in accordance with an agreement under section 2, and amendments

thereto, shall be postponed under clause (2) during the period of time the medical disability exists. An obligation to work and live in Kansas in accordance with an agreement under section 2, and amendments thereto, shall be postponed under clause (3) during the period of time the person obligated remains on family and medical leave act leave. An obligation to work and live in Kansas in accordance with an agreement under section 2, and amendments thereto, shall be postponed under clause (4) during the period of time the state board of regents determines that the special circumstances exist. The state board of regents shall adopt rules and regulations prescribing criteria or guidelines for determination of the existence of special circumstances causing an inability to work and live in Kansas and shall determine the documentation required to prove the existence of such circumstances.

(b) An obligation to work and live in Kansas in accordance with an agreement under section 2, and amendments thereto, shall be satisfied: (1) If the obligation to work and live in Kansas has been completed in accordance with the agreement; (2) if the person obligated dies; and (3) if, because of permanent physical disability, the person obligated is unable to work and live in Kansas.

New Sec. 8. If a person fails to satisfy an obligation to work and live in Kansas for the required period of time under an agreement entered into as provided in section 2, and amendments thereto, because such person is working in or working and living in a state other than Kansas, and if such person is subject to or currently making repayments under such agreement, and if such person subsequently commences working and living in this state in compliance with the agreement, the balance of the repayment amount, including the interest thereon, from the time of commencement of working and living in Kansas until the obligation of such person is satisfied or until such time as such person again becomes subject to repayments, shall be waived. All repayment amounts due prior to commencement of working and living

in this state again, including interest thereon, shall continue to be payable as provided under the agreement. If subsequent to commencement of working and living in this state, the person fails to satisfy the obligation to work and live in this state for the period of time specified in the agreement, the person again shall be subject to repayments, including interest thereon, as provided in the agreement.

New Sec. 9. The state board of regents shall adopt rules and regulations for administration of the workforce development loan program and shall establish terms, conditions and obligations which shall be incorporated into the provisions of any agreement under this act.

New Sec. 10. On July 1 of each year or as soon thereafter as sufficient moneys are available, the state treasurer shall transfer equal amounts from moneys credited to the department of human resources by the United States department of labor and from moneys credited to the department of social and rehabilitation services from the United States department of health and human services to the workforce development loan fund established in section 5, and amendments thereto. The transfers shall be sufficient to establish a fund balance of \$1,000,000.

Sec. 11. K.S.A. 72-4433 is hereby amended to read as follows: 72-4433. The rate per hour of tuition for postsecondary students shall be fixed by each board subject to approval of the state board at the commencement of each school year for such school year. ~~Such rate shall be an amount equal to 12-1/2% of the local cost per enrollment hour for the school year ending June 30, 1987, and 15% of the local cost per enrollment hour for each school year thereafter.~~ Different rates may be fixed by each board for different programs administered by such board. Each local board shall have the authority to fix tuition, fees and charges for rates per hour of tuition.

Sec. 12. K.S.A. 72-4433 is hereby repealed.

Sec. 13. This act shall take effect and be in force from and after its publication in the statute book.



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Bill Graves
Governor

Duane A. Goossen
Director

February 20, 2002

The Honorable Lisa Benlon, Chairperson
House Committee on Higher Education
Statehouse, Room 115-S
Topeka, Kansas 66612

Dear Representative Benlon:

SUBJECT: Fiscal Note for HB 2872 by Representative McKinney, et al.

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2872 is respectfully submitted to your committee.

HB 2872 establishes the Workforce Development Loan Program Act. The State Board of Regents would award loans to Kansas residents who are enrolled in or admitted to an area vocational technical school, technical college, community college, or vocational school. The Board would adopt rules and regulations for administration of the Workforce Development Loan Program. After consulting with the Secretaries of the Departments of Human Resources, Social and Rehabilitation Service, and Commerce and Housing, the Board would establish a list of education programs in which an applicant would have to enroll to be eligible for a loan. The yearly loans would be awarded based on financial need.

The recipient of a loan would be expected to complete the required courses and receive a degree in selected subject areas. The individual would have to live and work in Kansas for eight years to have the loan forgiven. Proof of residence and employment in the state would be required on an annual basis. The repayment schedule for failure to complete the requirements of the loan agreement would be established with penalty and interest amounts included. Repayment of all loan amounts would begin six months after the date of the failure of the person to satisfy the obligations of the loan agreement. If an installment payment becomes 91 days overdue, then the entire amount of the loan plus interest becomes due. The total amount could be repaid, prior to graduation, with a lump-sum payment.

The Workforce Development Loan Fund would be established in the state treasury. The State Board of Regents would remit all monies received under this act to the State Treasurer and any monies received from persons would be credited to the fund. The State Treasurer would be responsible for keeping a record of payments received from each person.

House Higher Education Committee
Meeting Date: 2-25-02
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On July 1 of each year, or as soon as the funding would be available, \$500,000 credited to the Department of Human Resources from the United States Department of Labor, and \$500,000 received by the Department of Social and Rehabilitation Services from the United States Department of Health and Human Services would be transferred by the State Treasurer and credited to the newly-created Workforce Development Loan Fund.

In addition, the bill changes current law to give each local board of a post-secondary institution the authority to set tuition. Each board would fix rates for different programs administered by the board. Each local board would have the authority to fix tuition, fees, and charges for rates per hour of tuition for postsecondary students who are not residents of the state.

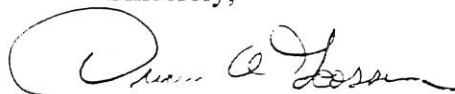
According to the Office of the State Treasurer, enactment of HB 2872 would require current programming to develop a loan tracking system. Based on current staffing and depending on the number of loans originated, the Treasurer's Office would require 1.0 FTE position at \$40,625. The duties that would be performed by this staff member would include loan servicing, customer contact, and collections.

According to the Department of Social and Rehabilitation Services, enactment of HB 2872 would result in the use of Temporary Assistance for Needy Families (TANF) Block Grant Funds. However, the TANF law restricts such expenditures, a constraint not recognized in the bill. The unintentional misuse of federal TANF funds would subject the state to a dollar-for-dollar sanction by the U.S. Department of Health and Human Services. Thus, the consequence of the bill would be a potential penalty of \$500,000 in the first year. In addition, since all TANF funds have been dedicated, one or more programs presently financed with TANF dollars would need to be reduced by a combined total of \$500,000. Therefore, the bill would result in the loss for the department of \$1,000,000 in FY 2003.

According to the Department of Human Resources, enactment of HB 2872 would violate federal Workforce Investment Act statutes. The U.S. Department of Labor would likely suspend the state's authority to draw funds down under the Workforce Investment Act, thereby restricting the ability of the state to complete such a transfer and to operate programs further under the act.

According to the Kansas Board of Regents, enactment of HB 2872 would require an additional 1.0 FTE position to administer the Workforce Development Loan Program. The Board would need a clerical position at a cost of \$26,500 annually for salaries and benefits, \$2,500 annually for other operating expenditures, and \$3,000 one-time expense for office space, equipment, and furniture. The fiscal effect on the state and these agencies is not accounted for in *The FY 2003 Governor's Budget Report*.

Sincerely,



Duane A. Goossen
Director of the Budget

cc: Gerald Schneider, Human Resources
Marvin Burris, Board of Regents
Peggy Hanna, State Treasurer's Office
Lisa Becker, SRS

Proposed Amendment to HB2872
For Consideration by Committee on Higher Education
February 25, 2002

HIGHER ED
2-25-02
ATTACHMENT 10

1 for determination of the existence of special circumstances causing an
2 inability to work and live in Kansas and shall determine the documenta-
3 tion required to prove the existence of such circumstances.

4 (b) An obligation to work and live in Kansas in accordance with an
5 agreement under section 2, and amendments thereto, shall be satisfied:
6 (1) If the obligation to work and live in Kansas has been completed in
7 accordance with the agreement; (2) if the person obligated dies; and (3)
8 if, because of permanent physical disability, the person obligated is unable
9 to work and live in Kansas.

10 New Sec. 8. If a person fails to satisfy an obligation to work and live
11 in Kansas for the required period of time under an agreement entered
12 into as provided in section 2, and amendments thereto, because such
13 person is working in or working and living in a state other than Kansas,
14 and if such person is subject to or currently making repayments under
15 such agreement, and if such person subsequently commences working
16 and living in this state in compliance with the agreement, the balance of
17 the repayment amount, including the interest thereon, from the time of
18 commencement of working and living in Kansas until the obligation of
19 such person is satisfied or until such time as such person again becomes
20 subject to repayments, shall be waived. All repayment amounts due prior
21 to commencement of working and living in this state again, including
22 interest thereon, shall continue to be payable as provided under the
23 agreement. If subsequent to commencement of working and living in this
24 state, the person fails to satisfy the obligation to work and live in this state
25 for the period of time specified in the agreement, the person again shall
26 be subject to repayments, including interest thereon, as provided in the
27 agreement.

28 New Sec. 9. The state board of regents shall adopt rules and regu-
29 lations for administration of the workforce development loan program
30 and shall establish terms, conditions and obligations which shall be in-
31 corporated into the provisions of any agreement under this act.

32 New Sec. 10. ~~On July 1 of each year or as soon thereafter as sufficient~~
33 ~~moneys are available~~ \$500,000 from the moneys credited to the depart-
34 ment of human resources from the United States department of labor
35 and \$500,000 from the moneys received by the department of social and
36 rehabilitation services from the United States department of health and
37 human services shall be transferred by the ~~state treasurer and credited~~
38 to the workforce development loan fund established in section 5, and
39 amendments thereto.

40 Sec. 11. K.S.A. 72-4433 is hereby amended to read as follows: 72-
41 4433. The rate per hour of tuition for postsecondary students shall be
42 fixed by each board subject to approval of the state board at the com-
43 mencement of each school year for such school year. ~~Such rate shall be~~

Annually,
director of accounts and reports from funds
specified by provisions in appropriation acts
, in accordance with and subject to the
provisions of appropriation acts