



KANSAS BOARD OF REGENTS

House Committee on Commerce, Labor & Economic Development Neutral Testimony on HB 2400

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Good afternoon, Chairman Tarwater and Members of the Committee. Thank you for the opportunity to provide written testimony regarding HB 2400.

HB 2400 would create a new grant program to be administered by the Board of Regents. We greatly appreciate the Legislature's efforts to offer additional postsecondary opportunities to Kansans. We comment on several aspects of the legislation in this testimony, as the bill mimics closely our Kansas Promise Scholarship Act in many respects, but with a few variations. The Promise Scholarship program is the most complicated student financial aid program we administer, and this legislation adds several additional complexities and challenges.

The bill would offer both student financial assistance to enroll in specific baccalaureate programs, up to \$3,000 per semester, as well as direct incentive payments to individuals. The Board of Regents administers numerous state scholarship programs but does not make payments directly to individuals and does not have a mechanism to undertake making such payments. This would require establishing an entirely new payment system in conjunction with the Office of Accounts & Reports as well as a separate application process. Staff and resource would be required to make the incentive payments and monitor recipients' compliance for eligibility for the payments.

The Board Office would also need to work through how to prioritize financing of grants versus the incentive payments, within the resource provided by the appropriations process. It is not clear from the bill how long a person would have to claim the incentive payment and whether there would be a deadline for claiming it. Without a deadline, the Board of Regents would have to keep student records potentially "forever," for tracking purposes. This, over time, will result in additional personal data that the Board of Regents must retain, which adds to the agency's risk of improper disclosure.

One alternative to consider for the incentive would be to establish an equivalent tax credit or deduction to taxpayers' state income tax return. That would have its own fiscal effect to the state,

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but it could prove to be a more cost-effective policy to administer with less risk to personal information.

To be eligible for the financial aid, a student must be 25 years of age or older. It is not clear if a student turns 25 within the academic year if the student would qualify under the bill or if age 25 must be attained prior to the start of the semester. The Board of Regents would suggest recipients continue to complete a Free Application for Financial Student Aid (FAFSA) each year, as the bill establishes the aid as a limited last dollar program, which would be difficult to administer without the FAFSA data each year for calculating eligibility.

The academic programs targeted in HB 2400 are aligned with the Promise Scholarship Act and could certainly form a path to students continuing their academic career to a bachelor's degree with the financial assistance envisioned in this bill. We applaud the Legislature's efforts to bolster the state's talent pipeline, and we stand ready to work with you in these efforts. We would ask for an opportunity to collaborate with you on how to most efficiently structure student financial aid programs.

Again, thank you for the opportunity to offer testimony on this bill.