



Kansas Community College Testimony in Support of HB 2515 the Kansas Promise Scholarship Act

Thank you for the opportunity today to testify in support of HB 2515, the Kansas Promise Scholarship Act. The Kansas Promise Scholarship Act is not just another scholarship program, but will be a new innovative economic development tool addressing the most pressing challenge facing Kansas businesses, a skilled workforce shortage.

The Kansas Promise Scholarship Act will be a “last dollar” program. It targets the most in-demand occupation fields in the state increasing access to community and technical college education for Kansas high school graduates. This Act is a targeted economic development tool focusing these scholarship dollars on jobs within the Kansas economy which are in the highest demand to help companies meet the talent needs they have today and in the future. This program will be limited to recent Kansas high school graduates and require those graduates to work part-time or complete 100 hours of community service to help “repay the investment” they receive through these scholarships. Also, of critical importance is the requirement that the student work in Kansas two years post certificate or associates degree completion. Kansas Community Colleges believe the in-state work portion of the bill will not only help retain population in the state of Kansas but will provide Kansas companies the best chance at hiring this top-quality talent. The Kansas Promise Act will also be an extremely effective rural revitalization tool.

The bill as introduced directed the Kansas Board of Regents to work with the Department of Commerce and business and industry to determine which fields in the Kansas economy are most in demand. Just as our 19 community colleges have different programs to meet the needs of local employers, we encourage careful attention to this provision of the bill to ensure that both statewide needs as well as regional workforce demand needs are taken into consideration when determining eligible program areas. The workforce needs in Southwest Kansas differ from the needs of Northeast Kansas. To ensure the continued viability of the workforce in all areas of our state, which programs are determined as high demand is a critical piece of this act. Kansas Community Colleges believe that Section 2(b)3 relating to transfer and articulation is critical to ensure students are guaranteed transfer of their program toward their baccalaureate degree.

As a last dollar program this Act may not be as expensive as one may think. This program would only kick-in after all other scholarship and Pell grant dollars are applied to the student’s tuition, fees, and textbook/material obligations. For example, the average Pell award for Kansas Community College students per semester is \$3,500. The average Kansas Community College resident tuition and fees per semester is \$1,700. Even if you add another \$500 per semester for books/materials that would be \$2,200 per semester in student costs. Therefore, tuition, fees, books/materials would be paid by the Pell grant and they would have funds remaining to be applied to housing. In this example, the student would not utilize the Kansas Promise Act because their other financial aid covered all their tuition, fee, book/material costs. Over, 44% of Kansas Community College students receive Pell grants. The Kansas Promise Act will help the lower middle-class students whose parents make a little too much to qualify for Pell but are unable to pay for their child’s education requiring them to take on student loans.

After the House working HB 2515 one community colleges students who would be eligible under the bill were examined to determine potential fiscal impact. ALL technical programs were deemed eligible under this examination for the purposes of determining potential cost to the state. Therefore, the estimate is likely higher than what actual experience is likely to be because not all programs will be eligible. However, there is likely to be increased student interest so the impact of extra programs being included may be mitigated by increased student interest. The results of looking at Kansas high school graduates for the last two school years who were enrolled in technical education programs at one Kansas community college revealed the following:

- 51% of their technical education students were recent Kansas high school graduates.
- Of those 51%, 43% were eligible for the Pell Grant and received more assistance than this bill will cover, they also received an average of \$750 in additional scholarships on top of their Pell Grant award. These students would not utilize the Kansas Promise Scholarship Program.
- Of the non-Pell Grant eligible students, those students received scholarships totaling \$2,250 a year. Yearly cost for tuition, fees, books/materials covered under this bill is estimated to be \$4,420 a year leaving \$2,170 a year as uncovered cost which the Kansas Promise Scholarship would cover.
- Based upon these assumptions the first-year cost for the entire state of Kansas community college system would be around \$2.5 million in the first year.

- Another key piece of information which was discovered through this analysis was that over 63% of the eligible technical education students arrived at the college with at least 15 credit hours already earned. For a two-year associates degree program this could eliminate an entire semester which would otherwise need to be covered. Not all programs will take two years so it is likely that many students may not need the Kansas Promise Scholarship for the entire two-year period authorized.

Once fully operational and having students in both their first and second year of utilizing the Kansas Promise Scholarship Act, using the assumptions explained above, the estimated cost for the Kansas community college system students would be a about \$5.1 million dollars per year. Kansas community colleges won't be the only institutions eligible under this bill, but community colleges deliver over 70% of the technical education in Kansas. It appears that the suggested \$10 million included in the House passed bill is a good place to start and will ensure most recent Kansas high school graduates seeking education in an approved program would be able to be funded.

While this great idea may be new to Kansas it is not a new concept across the United States. At least 16 other states have programs with some similar components (Tennessee, Florida, Maryland, New York, Hawaii, Oregon, Rhode Island, Montana, Minnesota, Kentucky, Arkansas, Nevada, West Virginia, Indiana, and Washington.) Kansas Community Colleges stand ready to assist in any way possible in implementing this bill and delivering the workforce training/education needed to ensure Kansas businesses have the talent they need to be successful. Other states having similar programs provides them an advantage in terms of workforce development over the state of Kansas. This act will ensure that the talent pool we are producing will allow Kansas companies to expand and companies outside of Kansas to be attracted to the state to begin operations. There are many details to be worked out to successfully implement this program. However, Kansas Community Colleges will work with the Technical Colleges, the Kansas Board of Regents, business and industry, and other key stakeholders to do what is needed to make this successful and overcome any administrative hurdles.

Amendments to House Bill 2515

KACCT was pleased to work with House leadership and the House Commerce Committee members to include some key amendments to the original bill. Those amendments ranged from technical language clean up, clarification that Washburn University is eligible for the bill, limiting the tuition reimbursement for in-state private colleges so they would be eligible to receive similar amounts as the community colleges, encouraging the Kansas Board of Regents to work with community partners in the promotion of this program,, clarification that the student must have graduated from high school within the last 12 months, and removing the number of hours students are required to work part-time. The number of hours a student must work part-time was removed not because students should not work, but because of hour fluctuations and the administrative tracking burden. Military students whose parents may be stationed abroad were also added as eligible participants in the bill and a sunset was added to ensure the Legislature reviews the program by 2025. Double-checking also occurred to ensure that Kansas home-school students would also be eligible for the Kansas Promise Scholarship program under this bill.

The time was short to draft and proofread these amendments prior to committee. One amendment discussed for inclusion did not make it into draft but had no opposition in concept. On Page 2, Lines 29-31: we suggest amending the bill to include five statewide job fields and pathways. This would replace the current up to ten language. This would further target the program to the five most critical need fields in which Kansas employers have jobs which need filled. Additionally, there would be up to 5 more job fields and pathways targeted per Kansas Department of Commerce region. This would help account for the variance in Kansas economy and the regional education/training differences across the state which are needed to meet local employer's needs. Suggested Page 2, Lines 29-31 amendment would read:
 (4) annually collaborate with the department of commerce and Kansas business and industry to identify ~~up to 10~~ 5 statewide job fields and pathways that currently have the highest need for skilled employees and up to 5 job fields and pathways not included in the statewide needs list but which exist within each individual Kansas Department of Commerce region to meet the diverse needs employers in each region;

There was one item of confusion in HB 2515 that was not discussed until the House floor debate. This item relates to the Kansas work requirement. Living and working in Kansas rather than just working in Kansas was discussed. For example, is the policy intent for someone to be able to live in Missouri and work in Kansas. Or is the policy intent for students to live AND work in Kansas. If the policy intent is working AND living in Kansas than an amendment should be made to clarify legislative intent. Suggested Page 4, Lines 24-25 amendment would read:
 (A) **Live and** ~~Commence~~ work in the state of Kansas for at least two consecutive years following completion of such program; or