

SESSION OF 2020

SUPPLEMENTAL NOTE ON SENATE BILL NO. 336

As Amended by Senate Committee on
Education

Brief*

SB 336, as amended, would create the Kansas Reinvest in Postsecondary Education Act (RISE Act). The bill would establish the Kansas RISE Scholarship Program (Program), which would be administered by the Kansas Board of Regents (Board). The Program would, subject to appropriations, provide a scholarship to eligible students for up to two years to attend a public or private eligible postsecondary educational institution in an associate degree program, career and technical education program, or baccalaureate degree completion program.

Definitions

The bill would define several terms used in the RISE Act, including:

- “Baccalaureate degree completion program” would mean the last two years, or up to the last 60 credit hours, of a baccalaureate degree program approved by the Board where a student holding an associate degree or completing half of a baccalaureate program may obtain a bachelor’s degree from an eligible postsecondary educational institution;
- “Eligible postsecondary educational institution” would mean any community college, technical

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

college, public university, municipal university, or any not-for-profit private postsecondary institution that is accredited and in good standing with a nationally recognized accrediting agency for higher education, has a physical presence in Kansas, and offers a baccalaureate, an associate degree, or industry-recognized certificate in a technical profession;

- “Eligible postsecondary education program” would mean an associate degree program, a career and technical education program, or a baccalaureate degree completion program; and
- “Gift aid” would mean financial aid received from a federal Pell grant and any other scholarship or financial assistance rewards that do not require repayment.

Administration of the Program

The bill would establish the Program and require the Board to administer the Program. To administer the Program, the Board would be required to:

- Publicize Kansas RISE scholarships, including the list of eligible postsecondary education programs and the application process;
- Review and approve or deny applications for a Kansas RISE scholarship;
- Request any information from an eligible institution the Board deems necessary for the administration of the RISE Act;
- Establish requirements for mentoring and guidance sessions for students participating in the Program; and

- Annually evaluate the Program and prepare and submit annual reports.

The bill would also require the Board to adopt rules and regulations on or before January 1, 2021, for the implementation of the RISE Act. Such rules and regulations would include, but not be limited to, deadlines for applications to be submitted, appeal procedures for denial or revocation of a scholarship, and procedures for requesting and approving medical and personal absences from an eligible postsecondary education program.

Scholarship Eligibility Requirements

The bill would establish eligibility requirements for students to receive a Kansas RISE scholarship. To be eligible, a student would have to meet the following requirements:

- Be a Kansas resident;
- Be or have any of the following:
 - Enrolled in grade 12 in any public or private high school in Kansas;
 - Graduated from any public or private high school in Kansas within the last five years;
 - Been in foster care at any time while enrolled in any of the grades 6 through 12; or
 - Obtained a general educational development (GED) certificate or high school equivalency certificate;
- Complete the scholarship application;
- Complete the Free Application for Federal Student Aid for the academic year the student is seeking a scholarship;

- Participate in mentoring and guidance sessions required by the Board; and
- Enroll in an associate degree program, career and technical education program, or baccalaureate degree completion program in the fall semester immediately following submission of the student's application.

Scholarship Amount

The bill would determine the scholarship amounts based on whether the student was enrolled at a two-year postsecondary institution or a four-year postsecondary institution.

For a student enrolled in a two-year community college or technical college, the amount of the scholarship, subject to appropriations, for each semester would be the aggregate amount of tuition and required fees for the program minus any gift aid awarded to the student for that semester, plus a stipend to pay for all, or a portion of, the cost of books and materials.

For a student enrolled in a public or private four-year institution that offers an eligible associate degree program, career and technical education program, or baccalaureate degree completion program, the amount of the scholarship, subject to appropriations, for each semester would be the average cost of tuition, fees, and books and materials for such a program when offered at a community college or technical college. Additionally, for every \$1 of the scholarship provided, the endowment or other scholarship fund of the four-year institution would be required to provide \$1.

Scholarship Continuation Requirements

The bill would establish requirements for a student to continue to receive a Kansas RISE scholarship. A student could receive the scholarship for up to two years if the student:

- Is continuously enrolled in an eligible postsecondary education program;
- Maintains satisfactory academic progress, as specified in the bill; and
- Participates in mentoring and guidance sessions required by the Board.

The bill would allow a student who takes an approved medical or personal leave of absence from the postsecondary institution to continue to receive the RISE scholarship upon resuming courses at the postsecondary institution as long as the student continues to meet the Program requirements. The length of the leave could not exceed six months, unless allowed by the rules and regulations adopted by the Board.

Requirements after Completion of Eligible Academic Program

The bill would require students to work in Kansas for three consecutive years after completion of an associate degree program, career and technical education program, or baccalaureate degree completion program. Students would be required to commence work within six months of the completion of their academic program. The bill would also require students to maintain records and make reports to the Board as required to document satisfaction of the work requirement.

If a student does not fulfill the work requirement, the bill would require the student to repay the total amount of the

scholarship funded by the State plus interest. The interest rate used would be the interest rate for loans made under the federal PLUS program at the time the student first entered into an agreement for a Kansas RISE scholarship. The bill would allow for installment payments, which would begin six months after the student fails to satisfy the work requirement. The bill would authorize the Board to turn any repayment account over to a designated loan servicer or collection agency.

Required Reports

The bill would require the Board to prepare and submit two annual reports to the Legislature and the Governor.

The first report would be required to include:

- The number of students who applied for a Kansas RISE scholarship;
- The number of students who received a Kansas RISE scholarship. This number would also be disaggregated by the type of scholarship recipient, including the number of students who received a scholarship as a graduating high school senior, a person who graduated from high school within the last five years, a person who was in foster care, or a person with a GED certificate;
- The total amount of scholarship money awarded. This amount would also be disaggregated by the type of recipient;
- The number of students who completed an eligible postsecondary education program; and
- The number of students who became employed within six months of completing an eligible postsecondary education program.

The second report would require the Board to evaluate and make recommendations on Kansas RISE scholarship funding.

Background

The bill was introduced by the Senate Committee on Education at the request of Senator Holland.

In the Senate Committee hearing, proponent testimony was provided by Senator Holland and representatives of the Board, the Kansas Association of Community College Trustees, and the Kansas Technical Colleges. Proponents generally favored the bill as a means of workforce development and as a way to help individuals get family-sustaining jobs. Written-only proponent testimony was provided by representatives of Cowley College, Goodwill Industries of Kansas, and the Kansas Independent College Association.

Neutral testimony was provided by a representative of the Kansas Department of Commerce. The representative emphasized the importance of workforce development, but stated the agency was neutral on the bill because the Legislature was considering several proposals for scholarship programs to address workforce development. Written-only neutral testimony was provided by a representative of the Department for Children and Families (DCF).

No opponent testimony was provided.

The Senate Committee amended the bill to:

- Limit participation in the Program by private postsecondary educational institutions to only not-for-profit private postsecondary institutions;
- Clarify all eligible postsecondary institutions must be accredited by a nationally recognized

accrediting agency for higher education in the United States;

- Provide a definition for "baccalaureate degree completion program," delete the definition of "bridge program," and change all references of "bridge program" to "baccalaureate degree completion program";
- Specify that Kansas RISE scholarships are subject to the availability of appropriations;
- Provide for a stipend to pay for all, or a portion of, the cost of books and materials. As introduced, the bill would have provided \$250 for such items;
- Clarify Kansas RISE scholarships would cover "required" fees. As introduced, the bill would have covered "mandatory" fees;
- Require students to show satisfactory academic progress to maintain eligibility for a scholarship. As introduced, the bill would have required students to maintain a 2.0 cumulative grade point average;
- Include holding a high school equivalency certificate as a way to qualify for a scholarship; and
- Add a requirement to work in Kansas for three years for students receiving a Kansas RISE scholarship.

According to the fiscal note prepared by the Division of the Budget on the bill as introduced, the Board estimates if all students up to 24 years of age who were enrolled in technical education programs at community colleges and technical colleges during the 2018-2019 academic year were eligible for a Kansas RISE scholarship, expenditures for scholarships would increase by approximately \$29.0 million annually. This estimate includes \$24.3 million for tuition and fees and \$4.6 million for books and materials. The Board did not provide an

estimate of costs for Kansas RISE scholarships for baccalaureate degree completion programs at four-year institutions and technical education programs at private institutions. The Board estimates the cost to create rules and regulations and administer the program would be \$37,419. This includes \$27,419 for a part-time position and \$10,000 for other operating costs. The DCF indicates any costs to promote the program to students in foster care would be negligible and could be absorbed within existing resources. Any fiscal effect associated with enactment of the bill is not reflected in *The FY 2021 Governor's Budget Report*.