



To: House Commerce, Labor and Economic Development Committee

From: Greg Nichols, Vice President KTC

Date: February 17, 2021

Re: HB 2287 – Kansas Promise Scholarship Act

Chairman Tarwater and members of the committee: Thank you for taking the time to allow me to present comments in support of the Kansas Promise Scholarship Act on behalf of the Kansas Association of Technical Colleges (KTC). KTC is a seven-college consortium promoting career and technical education in Kansas. We provide high-demand, high-skilled technical education to our students to meet the needs of Kansas business and industry. Our focus is workforce development, demonstration of skills and competencies to meet industry-recognized credentials, and helping our students become productive citizens and employees in our communities and in the state; they become consumers, taxpayers, and reinforce the direct, rapid return on investment of our resources to the state's economy.

On behalf of the members of KTC we offer our support for House Bill 2287. This same language passed the House last session as HB 2510 by a vote of 110-3 in the House and also passed the Senate by a vote of 37-2 and only to be vetoed by the Governor. This measure focuses in on the sector of post-secondary education where the demand is continuing to rise and return on investment to Kansas is dramatic.

❖ **Kansas Return on Investment: Why the Kansas Technical Colleges Can Provide Student Success with the Promise Act Resources:**

- The return on investment for Kansas, applying the results of a study done by Goss and Associates, indicates the economic impact of our members as a multiple of 10.76. For Kansas, our member colleges produce the highest student graduation rates in Kansas and our **job placement rates are over 90%**. More Kansans are recognizing this as we are also the fastest growing sector in the state and over **90% of our students stay in Kansas** after completing their education.
- An article from Inside Higher Education on August 22, 2019, shows that the educational attainment condition with the **highest percentage of employability and marketability** was the associate of applied science at 75.4%, with technical certificates right behind at 75.1%. Bachelor's degrees came in at 65%, as did associate of arts and sciences.
- Georgetown University's Center for Education and Workforce released the nation's first comprehensive analysis of the return on investment of 4,500 colleges and universities across the

nation in late 2019. One component of their analysis was on the net present value of a student’s education at an institution, and how that value extended for up to 40 years. For the state of Kansas, the data was quite informative; here are the top five public institutions (three of the top five are technical colleges!):

<u>Institution</u>	<u>National Rank/4500</u>	<u>Net Present Value over 40 years</u>
Washburn Institute of Technology	502	\$1,020,000
University of Kansas	520	\$1,016,000
Kansas State University	756	\$ 951,000
Manhattan Area Technical College	776	\$ 947,000
North Central Kansas Technical College	845	\$ 932,000

All seven Kansas Technical Colleges rank in the top 44% nationally for the Net Present Value over 40 years return on investment analysis.

❖ Demand Continues to Increase for Technical Workforce Education

- In the October 10, 2019 the Brookings Institute published *Talent-Driven Economic Development: A new vision and agenda for regional and state economies*. Brookings message for economic development leaders is that workforce drives business site selection decisions when “95% of executives rate the availability of skilled labor as “very important” or “important” in their site selection factors” and that “**the return on investment from customized job training incentives, as measured by job creation, is about ten times that of traditional tax incentives.**”
- A 2019 Lumina report on Unlocking the Nation’s Potential noted the following:
  - 11.5 million net new jobs for persons with some postsecondary education,
  - 6.2 million of those jobs are unfilled,
  - 65% of Generation Z jobs don’t even exist yet.

Specific to House Bill 2287 we would suggest the following:

- Clarification concerning having students complete the federal financial aid application process and what types of aid they would have to accept to be eligible for the Kansas Promise Scholarship. What is not clear is would they be expected to accept any federal grants and/or work-study aid, but not have to accept student loans? A statement that the intent of the scholarship is to help students reduce and/or eliminate student loan indebtedness offers very positive impact for persons to support the legislation, fund it, and use it.

In conclusion, Kansas Technical Colleges support HB 2287. We are driving skilled technical workforce education in the state, providing a rapid, direct return on investment as the vast majority of the students remain in Kansas as employees, taxpayers, and consumers as they usually have no-to-low student debt. The technical colleges provide this performance without any local taxing authority. They also do this while receiving the least amount of higher education support from appropriations of ANY entity within

education and higher education in the state. The Kansas Technical Colleges are only limited by the lack of assistance and investment to meet the ever-increasing demand for skilled technical workers and House Bill 2287 can certainly help.

Thank you for your continued support and recognition of technical education and workforce development in Kansas. I would be happy to answer any questions you have.