



## KANSAS BOARD OF REGENTS

### House Committee on Education Proponent Testimony on HB 2645

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**President & CEO, Kansas Board of Regents**

Good afternoon, Chair Thomas, and Members of the Committee. Thank you for the opportunity to appear today to testify in favor of HB 2645.

This legislation was proposed by the Board of Regents to increase interest in the Kansas Nursing Service Scholarship Program as one solution to the nursing workforce shortage in Kansas.

The Kansas Nursing Service Scholarship Program, K.S.A. 74-3291 through K.S.A. 74-3299, authorizes scholarships for qualified nursing students pursuing coursework that leads to licensure as licensed professional nurses or licensed practical nurses. The scholarship is available to Kansas residents and non-residents attending nursing schools at the state universities, Washburn University, and Kansas not-for-profit independent institutions. As the program is currently conceived, scholarships are generally funded half by the state and half by each student's sponsor, which may be an adult care home, medical facility, home health agency, local health department, mental health or treatment facility, or a state agency that employs licensed practical nurses or licensed professional nurses in Kansas.

Students receiving scholarships must agree to complete their coursework and obtain licensure, then practice nursing in their sponsor's employ. At minimum, students must practice nursing for the length of their scholarship-funded studies. If a student fails to meet the program's requirements, the scholarship must be repaid with interest.

HB 2645 would make several changes to the program's authorizing statutes designed to increase the scholarship's attractiveness to applicants, with an eye toward increasing the state's nursing workforce, and to increase program administration efficiency. The principal changes would be eliminating the sponsorship requirement, eliminating the cap on the

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number of scholarships that may be awarded, and eliminating the cap on scholarship amounts. The Legislature's annual appropriation would then determine the number and size of the scholarships we would be able to offer.

With the elimination of sponsorships, scholarships would be paid entirely by state appropriation to our agency. Students would still be required to work in Kansas after graduation but would no longer be required to agree to work for particular employers.

The existing statutory language limiting the number of new scholarships each year to 250 would be removed.

The existing cap on scholarship awards, which generally limits awards to 70% of the amount of the cost of in-state tuition at the student's institution, would also be removed. These changes would incentivize greater participation in the program by making the post-graduation work requirement more flexible, permitting awards to serve a greater number of students, and permitting awards to cover more of students' educational expenses.

Because the bill would eliminate sponsorships, it would also eliminate the nursing scholarship review committee, which under the existing program is tasked with consulting with the Board of Regents President and CEO on scholarship award decisions and various scholarship administration matters, including the terms of sponsorship agreements.

Finally, the bill would set the interest rate on repayments for students not fulfilling their service obligation to a flat 5%. This would provide predictability to students and eliminate the variable rate contained in current law that fluctuates annually. This would permit students to know the consequences of default with greater certainty when they enter into their initial scholarship agreements and greatly reduce the financial impact to students. The current rate in statute is the federal PLUS Rate plus five percentage points, which for this year is 13.05%.

I want to acknowledge the Kansas Hospital Association's opposition to the removal of the sponsorship feature of the program. We would be happy to work with them on an alternative that would offer students a larger state scholarship as an incentive to seek an employer's sponsorship. Students not able to locate or not interested in a sponsorship could receive a smaller scholarship.

Thank you for the opportunity to offer proponent testimony on this legislation.