



KANSAS ASSOCIATION OF
COMMUNITY COLLEGES

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Proponent with Considerations Testimony on HB 2539

Thank you for the opportunity to testify as a proponent with concerns on HB 2539. The Kansas Promise Scholarship Act was first passed three years ago, the Scholarship Act has been amended each session since. The Kansas Promise Scholarship Act is not just another scholarship program but is an innovative economic development tool addressing the most pressing challenge facing Kansas businesses, a skilled workforce shortage. The Kansas Promise Scholarship Act is a “last dollar” program. It targets the most in-demand occupation fields in the state increasing access to two-year skilled trades programs for Kansas high school graduates and adults who have lived in Kansas at least three years and need to re-skill or up-skill. Additionally, 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. To help “repay the investment” students receive through these scholarships the student recipients are required to reside and work in Kansas two years post certificate, Associate’s degree completion, or upon completion of a higher degree. Kansas Community Colleges believe the residency portion of the bill not only helps retain population in the state of Kansas but provides Kansas companies the best chance at hiring this top-quality talent. HB 2539 would eliminate the need to live in Kansas but would retain the work requirement to meet the needs of the Kansas workforce.

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 \$3,756. The average Kansas Community College resident tuition and fees per semester is \$1,823. Even if you add another \$500 per semester for books/materials that would be \$2,323 per semester in student costs. Therefore, tuition, fees, books/materials would be paid in full by the Pell grant and the student 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, 21% of Kansas Community College students receive Pell grants. The Kansas Promise Act helps 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. Included in the bill is a provision which allows for claw-back of the scholarship funds through either the state set-off program or collections companies to ensure students who receive this scholarship uphold the, now proposed two work requirements. There is some concern with the language in HB 2539 related to “commence work in Kansas and maintain such employment” for at least two consecutive years following the completion of such program. Does this imply that the student has to maintain the same job they commence immediately upon graduation. The language being stricken that does not use the word maintain maybe more appropriate to help students understand that they must continue to work for two years but not in the same job which they would be required to maintain. If this bill is work one solution would be to say “commence work and maintain work in Kansas for at least two consecutive years.”

HB 2539 would change the current Promise Act Student eligibility requirements. Current requirements mandate that students to be from or living in Kansas. The changes proposed would allow out-of-state students to take advantage of the scholarship. This provision would increase the number of out-of-state, especially at schools near the state line, who could take advantage of this scholarship. HB 2539 could also reduce the number of credit hours required in a year from 6 to 5 to allow for shorter programs in health care occupations. This reduction would not impact the current duration a student has to complete a program within 36 months, and the award may not exceed \$20,000.

The changes proposed in HB 2539 would increase the number of eligible students who will apply to use the Kansas Promise Scholarship. However, it would also cover tuition and fees at the out-of-state rates. These rates are higher than the in-state rates which will use more of the cap of \$10.0 million dollars available to fund the program. Currently with just in-state students the program is almost full (all funds may be expended in the next year or so and the scholarship has somewhat of a stacking effect as students have several years to complete their programs). If these changes are made there **MUST BE ADDITIONAL RESOURCES APPROPRIATED** to cover the additional demand. When the program experiences capacity issues it becomes very difficult to administer. Colleges are very careful not to promise this scholarship without assurance that the resource exists to fund the scholarship. The Promise Act has been a successful program for Kansas. With the shortage of workforce this change may be a low-cost way to recruit talent into the state. However, there will be an increased cost. Should this program be expanded additional resources will be necessary to cover the expense of training additional people to perform the most in-demand jobs in the state.

Thank you for the opportunity to address HB 2539 and some of the considerations that need to be made and resources that will be needed if this scholarship is open to out of state students.