

Approved: 3-22-93
Date

MINUTES OF THE HOUSE COMMITTEE ON EDUCATION.

The meeting was called to order by Chairperson Duane Goossen at 3:30 p.m. on March 10, 1993 in Room 519-S of the Capitol.

All members were present except: Representative Blumenthal (excused)
Representative Kline (excused)
Representative Larkin (excused)

Committee staff present: Ben Barrett, Legislative Research Department
Dale Dennis, Deputy Commissioner, Department of Education
Avis Swartzman, Revisor of Statutes
Joyce Harralson, Committee Secretary

Conferees appearing before the committee: Dorothy Foldan, Kinsley High School
Dotty Schmidt, Kinsley Stock Market Team Captain
Ben Barrett, Legislative Research
Jim Dawson, Fort Hays State University
Bob Kelly, Kansas Independent College Association
Dick Koontz, Bethel College
David Monical, Washburn University
Ted Ayres, Board of Regents

Others attending: See attached list

Dorothy Foldan, the Coordinator for Kinsley High School's Stock Market Game, addressed the committee to explain the game and introduce the winners. Davika Schmidt the Stock Market Team Captain addressed the committee to explain the results. (Attachment #1).

Ben Barrett gave a brief explanation of SB8 and SB9.

Dr. Jim Dawson, a member of the Task Force on Student Financial Assistance, addressed the committee regarding SB8 and SB9 (Attachment #2).

Bob Kelly, Executive Director of Kansas Independent College Association and also a member of the Task Force, addressed the committee regarding SB8 and SB9 (Attachment #3).

Dick Koontz, from Bethel College and also a member of the Task Force, addressed the committee regarding SB8. He stated that the bill would provide for a more effective and efficient delivery of funds to the most eligible students.

David Monical, representing Washburn University, addressed the committee regarding SB8 and SB9 (Attachment #4).

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON EDUCATION, Room 519-S Statehouse, at 3:30 p.m. on March 10, 1993.

Ted Ayres, representing the Board of Regents, addressed the committee regarding SB9. He stated the bill would reduce reliance on student loans and was targeted mainly toward financially needy students. The cost of the bill (2.3 mil), would be covered by a 2% increase in tuition at all Regents Institutions. He estimated the bill would affect approximately 2,400 students. \$960 would be the maximum grant amount not to exceed 50% of the cost of tuition and books. The student must provide the additional 50% financing through parents, scholarships and/or federal funding.

The meeting adjourned at 4:57pm.

The next meeting is scheduled for 3:30pm, March 11, 1993, in Room 519-S.

GUEST LIST

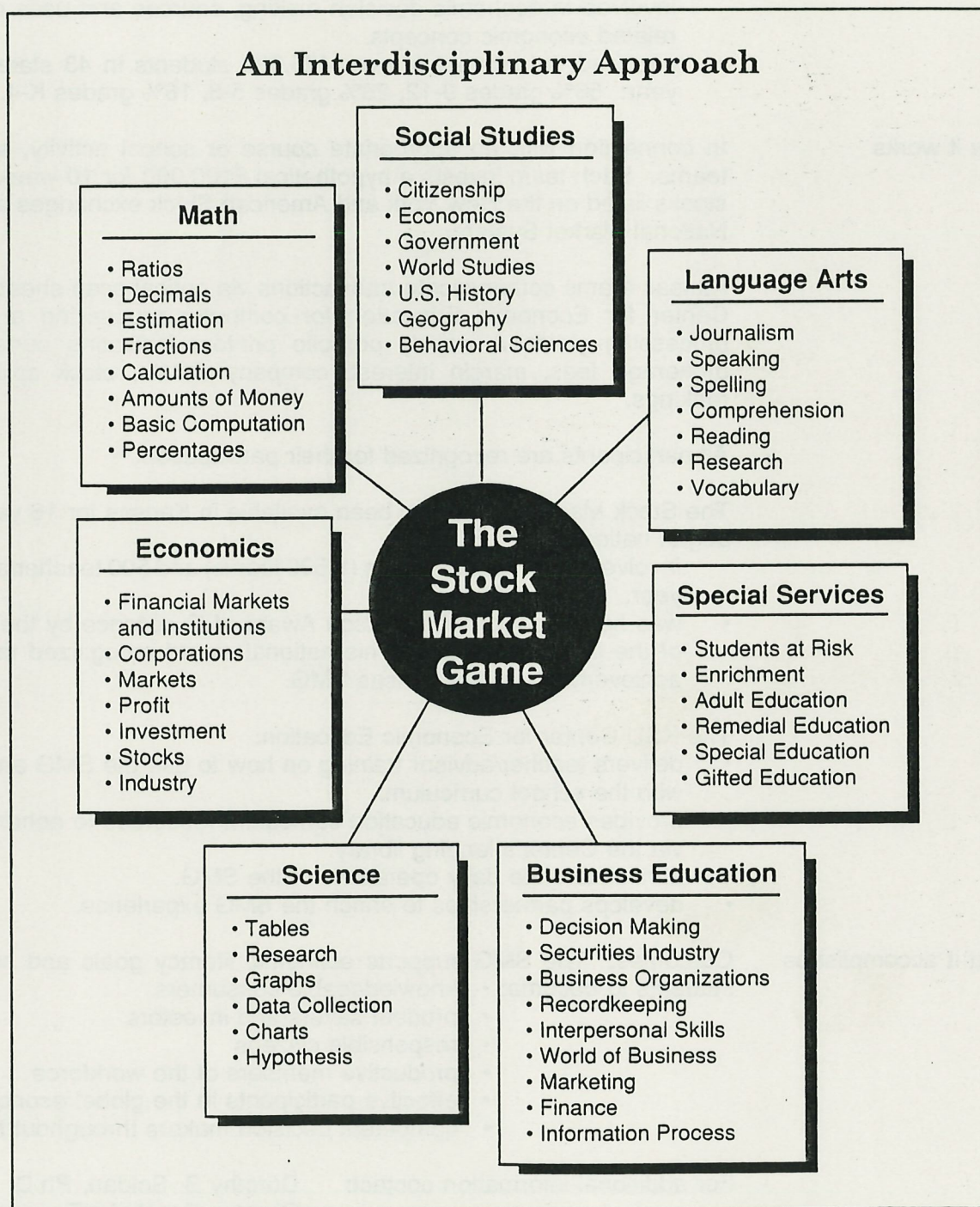
COMMITTEE: House Education

DATE: 3-10-92

[illegible]

The Stock Market Game™

The purpose of The Stock Market Game (SMG) is to provide teachers with a motivational tool to introduce students to basic principles of economics, finance and capital formation. It is intended to be a catalyst for further study of and interest in the American free enterprise system. It is being used as a simulation teaching exercise on economics within many subject areas. It is available for grades four through twelve.



THE STOCK MARKET GAME™

What it is

- sponsored nationally by the Securities Industry Association (SIA) and its affiliate, the Securities Industry Foundation for Economic Education (SIFEE), to foster among the public a better understanding of both the American economic system and the role of the securities industry within that system.
- provides teachers with an educationally sound motivational tool to develop economic literacy and to reinforce skills in math, social studies, language arts, science, etc., at elementary and secondary levels.
- teaches basic economic concepts through a market simulation designed to help participants understand the stock market, costs and benefits involved in economic decision making, sources and uses of capital and related economic concepts.
- captured the interest of over 425,000 students in 43 states last school year: 56% grades 9-12, 28% grades 5-8, 16% grades K-4.

How it works

In connection with an appropriate course or school activity, students form teams. Each team invests a hypothetical \$100,000 for 10 weeks in common stocks listed on the New York and American Stock exchanges and NASDAQ National Market System.

Kansas teams communicate transactions via optical scan sheets to the KSU Center for Economic Education for computer processing at KSU. The processing yields a weekly portfolio printout indicating current holdings, brokerage fees, margin interest, company delists, stock splits and team rankings.

All participants are recognized for their participation.

The Stock Market Game has been available in Kansas for 16 years—since it began nationally in 1977.

- involves over 7,000 students (1,500 teams) and 500 teacher/advisors each year.
- was honored with the Clarkson Award of Excellence by the SIFEE each of the last three years. This national award recognized the exemplary achievements of the Kansas SMG.

The KSU Center for Economic Education:

- delivers teacher/advisor training on how to use the SMG and integrate it with the school curriculum.
- provides economic education curriculum resources to enhance the SMG via the Center's lending library.
- administers the daily operations of the SMG.
- develops partnerships to enrich the SMG experience.

What it accomplishes

Outcomes: The SMG supports economic literacy goals and helps prepare students to become:

- knowledgeable consumers
- prudent savers and investors
- responsible citizens
- productive members of the workforce
- effective participants in the global economy
- competent decision makers throughout their lives.

For additional information contact:

Dorothy B. Soldan, Ph.D.
Director, Center for Economic Education
2323 Anderson Avenue
Manhattan, KS 66502-2912
913/532-5597

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Attachment 1-2
3-10-93

Kinsley High School

Senior Economics Class

Davika Schmidt
Heather Smith
Monica Johnson
Paul Schmidt

Ryan Strate
Traci Daubert
Matt Luthi
Mark Bollig

Instructor: Mrs. Evalina Craig

The purpose of the Stock Market Game is to instill motivation for learning about the economy, and how the financial market works. Each team is provided with \$100,000.00. We decide how to invest it, hoping to make the most gain on our investment.

Strategies:

Buy low , sell high,
Investigate each company's product,
Follow national and international news,
Watch for changes in the stock market.

Things we learned:

Read stock reports,
Calculate weekly value of portfolio,
Work together on decision making,
Analyze newspaper articles.

Resources:

Wall Street Journal,
American On Line -- Telecommunications Data Service,
Wall Street Wrap-Up -- PBS,
Wichita Eagle City Line -- Telephone Information Service,
Wichita Eagle--Newspaper.

Stocks we traded:

Air/Water Tech.....	2,000 shares
*Andrea Electronics.....	3,800 shares
Coca-Cola.....	500 shares
Dell Computers.....	1,500 shares
GTE.....	1,000 shares
Sanifill.....	2,000 shares
SPI Pharmaceuticals.....	1,000 shares
Telmex.....	1,500 shares
Traveler.....	500 shares

*Most profitable stock

Net profit for ten weeks.....\$ 51,348.00

Prepared by: Heather Smith

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Attachment 1-3
3-10-93

DATE: MARCH 10, 1993
To: HOUSE COMMITTEE ON EDUCATION
FROM: DR. JAMES DAWSON, FORT HAYS STATE UNIVERSITY
CHAIR, TASK FORCE ON STUDENT FINANCIAL ASSISTANCE

THE FOLLOWING EXCERPTS SUMMARIZE BOTH THE BROAD GOALS TO BE ACHIEVED THROUGH STUDENT FINANCIAL AID AND SOME SPECIFIC ISSUES WHICH CONCERNED THE 1992 WAYS & MEANS COMMITTEE AND ALSO CONCERN HIGHER EDUCATION ADVOCATES, PARENTS, STUDENTS AND KANSAS LEADERS.

**TASK FORCE ON STUDENT
FINANCIAL ASSISTANCE**

EXECUTIVE SUMMARY INTRODUCTION

"The Student Financial Assistance Task Force has been guided by its charge: to review the existing and emerging financial needs of Kansas students; to review current state-funded programs in light of those needs; and to make comprehensive recommendations addressing student financial aid to the year 2000. An analysis of historical commitments made by the State of Kansas to support higher education reveals strong commitment to the following goals:

1. providing quality higher education opportunities to citizens of the state,
2. assuring that Kansas students have choices among institutions and programs,
3. facilitating access to educational opportunities to the greatest extent feasible,
4. leveraging resources through a partnership approach to financing."

Source: A Report on the Task Force on Student Financial Assistance in the State of Kansas

January 1992

**1992 WAYS & MEANS
SUBCOMMITTEE REPORT
EXCERPT**

"The Subcommittee discussed with Board staff existing financial aid programs and the level of funding available to assist needy Kansas students, particularly in light of recent tuition increases and the probable trend of increasing tuition. The Subcommittee concludes that the amount of student financial aid available under existing federal and state grant and loan programs has not kept up with increasing educational costs, and this growing gap between college costs and available funds means that certain Kansas students may soon be "priced out of the market." The Subcommittee notes that tuition for Kansas residents over the past ten years at the state's universities with doctorate programs has increased by 93.6 percent, and 111.2 percent at the regional universities. The Subcommittee is concerned about the impact of increasing tuition on access to higher education. The Subcommittee understands that a Regents Task Force on Financial Aid issued a report with recommendations, including a comprehensive need-based program for financial aid. These recommendations are currently being reviewed by the Regents Tuition and Fees Committee. The Subcommittee requests that the Board of Regents develop several options for the 1993 Legislature to consider that address these concerns, including using a portion of future tuition increases for need-based grant and loan programs."

Source: 1992 Ways & Means Subcommittee
for Board of Regents Appropriations

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Attachment 2-1
3-10-93

TASK FORCE ON STUDENT FINANCIAL ASSISTANCE

MISSION STATEMENT

"Financial aid should be provided to all qualified students in the State of Kansas to ensure access to educational opportunities. In addition to ensuring access, it is essential that residents of the state are provided the opportunity to choose the institution and program which best meets the students' perceived educational needs. While providing access and choice are primary goals, there must be assurances of quality within the institutions participating in the assistance programs as well as evidence of quality by the aid recipients.

Financial assistance provided by the state must be viewed as a critical component of the larger partnership created to develop a viable system of higher education within the State of Kansas. Other members of the partnership should include, but are not necessarily limited to the students' families, the private sector of the economy, the educational institutions, and other governmental entities. It is this partnership which must make good on a national commitment to equality of opportunity for higher education."

Kansas Board of Regents Task Force Established July 1991
Report of Recommendations Submitted January 1992

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Attachment 2-2
3-10-93

ANNUAL REPORT
1992-93
Academic Year
Summary of Kansas Financial Aid Programs

	Academic Year Program Inception	Total # Applicants - New & Renewal	# Recipients - New & Renewal	Ratio of Apps. to Awards	Funds Expended	Maximum Annual Award
UNDERGRADUATE:						
Kansas Tuition Grant	1972-73	10,886	3,189	3.4	\$5,361,050	\$1,700
Kansas State Scholarship	1963-64	2,281	1,281	1.8	\$1,234,883	\$1,000
Kansas Ethnic Minority	1989-90	774	205	3.8	\$297,560	\$1,500
Kansas Teacher Scholarship	1990-91	319	104	3.0	\$506,000	\$5,000
Paul Douglas Teacher Sch.	1986-87	275	31	8.8	\$150,000	\$5,000
Kansas Nursing Scholarship	1989-90	362	299	1.2	\$475,500	\$3,500/2,500
Kansas Vocational Ed. Sch.	1987-88	360	120	3.0	\$60,000	\$500
State College Work Study	1988-89	N/A	N/A	N/A	\$463,729	N/A
Youth Education Services	1988-89	N/A	N/A	N/A	\$39,303	N/A
PROFESSIONAL:						
Kansas Osteopathic Program	1976-77	58	50	1.2	\$500,000	\$10,000
Kansas Optometry Program	1986-87	54	35	1.5	\$116,200	N/A
Kansas Dental Program	1986-87	27	N/A	N/A	N/A	N/A
TOTALS		15,396	5,314	2.9	\$9,204,225	

Summary Comments/Explanations:

All programs may have funds which carry forward to the next year due to late cancellations or remaining balances which are less than one award.

Kansas Tuition Grant: Students are advised to NOT apply for tuition grant after June 15th. Therefore demand may be understated. The legislative goal is to Halve the Gap between public and private tuition. Achieving that goal would result in an award of approximately \$2,565 rather than \$1,700.

Kansas State Scholarship: This program, as well as the Tuition Grant, is funded with approximately 10% federal funds.

Kansas Teacher Scholarship: This program requires 1 year teaching service in a designated hard-to-fill discipline in Kansas for each year of funding.

Paul Douglas Teacher Scholarship: This program is federally funded. It generally requires 2 years of teaching service for each year of funding.

Kansas Nursing Scholarship: This program requires 1 year of nursing service to a selected health care provider for each year of funding. The selected health care facility provides a portion of the scholarship funding.

Corrections: Sept 25, 1992

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Attachment 2-3
3-10-93

ANNUAL REPORT
1991-92
Academic Year
Summary of Kansas Financial Aid Programs

	Academic Year Program Inception	Total # Applicants	# Recipients	Ratio of Apps. to Awards	Funds Expended	Maximum Annual Award
UNDERGRADUATE:						
Kansas Tuition Grant	1972-73	7,878	3,478	2.3	\$5,442,159	\$1,700
Kansas State Scholarship	1963-64	2,158	1,034	2.1	\$948,333	\$1,000
Kansas Ethnic Minority	1989-90	854	130	6.6	\$196,500	\$1,500
Kansas Teacher Scholarship	1990-91	428	89	4.8	\$495,501	\$5,000
Paul Douglas Teacher Sch.	1986-87	297	31	7.5	\$155,000	\$5,000
Kansas Nursing Scholarship	1989-90	416	317	1.4	\$532,750	\$3,500
Kansas Vocational Ed. Sch.	1987-88	305	95	3.2	\$32,847	\$334
State College Work Study	1988-89	N/A	N/A	N/A	\$468,413	N/A
Youth Education Services	1988-89	N/A	N/A	N/A	\$30,000	N/A
PROFESSIONAL:						
Kansas Osteopathic Program	1976-77	59	50	1.2	\$500,000	\$10,000
Kansas Optometry Program	1986-87	45	36	1.3	\$130,200	N/A
Kansas Dental Program	1986-87	29	N/A	N/A	N/A	N/A
TOTALS		12,469	5,260	3.4	\$8,930,269	

Summary Comments/Explanations:

All programs may have funds which carry forward to the next year due to late cancellations or remaining balances which are less than one award.

Kansas Tuition Grant: Students are advised to NOT apply for tuition grant after June 15th. The legislative goal is to Halve the Gap between public and private tuition. Achieving that goal would result in an award of approximately \$2,385 rather than \$1,700.

Kansas State Scholarship: This program, as well as the Tuition Grant, is funded with approximately 10% federal funds (SSIG). The 1991-92 allocation was \$731,901.

Kansas Teacher Scholarship: This program requires 1 year teaching service in Kansas for each year of funding.

Paul Douglas Teacher Scholarship: This program is federally funded. It generally requires 2 years of teaching service for each year of funding.

Kansas Nursing Scholarship: This program requires 1 year of nursing service to a selected health care provider for each year of funding. The selected health care facility provides half of the scholarship funding.

Final Sept. 21, 1992

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Attachment 2-4
3-10-93

PROFILE OF DEPENDENT KANSAS STUDENT FINANCIAL AID APPLICANTS WHO FILED FOR FINANCIAL AID THROUGH ACT

Source: ACT Profile of Financial Aid applicants 1992-93 and 1991-92

	1992-93 Board of Regents Applicants	1991-92 Regents Institutions Applicants	1991-92 Independent Institutions Applicants	1991-92 Community College Applicants
Number of Applicants	9706	18191	6348	4126
% With Dependent status	60%	57%	63%	59%
% of Freshmen w/need	80%	70%	86%	97%
Av Parental Income	\$38,187	\$36,605	\$38,403	\$30,128
Av Student Income	\$2,909	\$3,016	\$2,622	\$2,758
AV Total	\$41,096	\$39,621	\$41,025	\$32,886
Income Bands (Freshmen)				
% < \$24,000	22%	21%	24%	34%
% 24,000 - 41,999	33%	33%	35%	37%
% 42,000 - 59,999	27%	27%	25%	22%
% > \$60,000	18%	19%	17%	7%
Av Expected Parent Contribution to college	\$3,532	\$3,398	\$3,849	\$2,200
Av Expected Student Contribution to college	\$2,228	\$2,254	\$2,063	\$2,089
AV TOTAL	\$5,760	\$5,652	\$5,912	\$4,089
NEEDY APPLICANTS				
Income Bands (Freshman)				
% < \$24,000	28%	38%	25%	47%
% 24,000 - 41,999	41%	36%	37%	44%
% 42,000 - 59,999	25%	22%	27%	9%
% > \$60,000	6%	5%	10%	0%
Av Expected Parent Contribution to College	\$ 1,650	\$ 1,508	\$2,490	\$ 739
Av Expected Student Contribution to College	\$ 1,888	\$ 1,872	\$ 1,776	\$ 1,528
AV TOTAL	\$ 3,538	\$ 3,380	\$ 4,266	\$ 2,267
Av Total Cost (1992-93)	-	\$ 7,674	\$ 12,841	\$ 6,845
Total Enrollment *	-	87,217	16,164	60,984
*Source: Kansas Legislative Research Department Printed in "Twenty Years of Tuition Grants" Spring 1992				

November 16, 1992

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Attachment 2-5
3-10-93

Family Income Among Financial Aid Applicants

Total Family Income		All Dependent Applicants							
		FY 1987		FY 1991		FY 1992			
		No.	%	No.	%	No.	%		
\$0 -	\$5,999	1,532	8.6	653	3.3	544	3.0		
6,000 -	11,999	1,522	8.5	865	4.4	770	4.2		
12,000 -	17,999	2,180	12.2	1,466	7.5	1,340	7.4		
18,000 -	23,999	2,321	13.0	2,078	10.6	1,860	10.2		
24,000 -	29,999	2,445	13.7	2,545	13.0	2,136	11.7		
30,000 -	35,999	2,169	12.2	2,423	12.4	2,312	12.7		
36,000 -	41,999	1,814	10.2	2,277	11.7	2,095	11.5		
42,000 -	47,999	1,361	7.6	1,911	9.8	1,819	10.0		
48,000 -	53,999	962	5.4	1,550	7.9	1,537	8.5		
54,000 -	59,999	570	3.2	1,140	5.8	1,114	6.1		
60,000 -	OVER	954	5.4	2,619	13.4	2,664	14.6		
TOTAL		17,830		19,527		18,191			
AVERAGE INCOME		\$30,295		\$36,358		\$36,605			
INFLATION ADJUSTED AVERAGE INCOME				\$30,201					
AVERAGE FAMILY SIZE		4.2		4.1		4.1			
AVERAGE DEPENDENT CHILDREN IN COLLEGE		1.4		1.4		1.5			
AVERAGE TOTAL ASSETS		\$46,342		\$39,481		\$38,595			

Total Family Income		All Independent Applicants							
		FY 1987		FY 1991		FY 1992			
		No.	%	No.	%	No.	%		
\$0 -	\$4,999	6,231	61.6	4,094	29.0	4,184			
5,000 -	9,999	1,696	16.8	3,704	26.3	3,674			
10,000 -	14,999	948	9.4	2,159	15.3	2,047			
15,000 -	19,999	583	5.8	1,329	9.4	1,267			
20,000 -	OVER	658	6.5	2,808	19.9	2,734			
TOTAL		10,116		14,094		13,906			
AVERAGE INCOME		\$6,131		\$13,724		\$12,652			
INFLATION ADJUSTED AVERAGE INCOME				\$11,400					

Source: ACT Profiles of Financial Aid Applicants
Kansas Regents Institutions
Table 5 and Table 2

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Attachment 2-6
3-10-93

Number and Percentage of Undergraduates Eligible For Federally Funded Financial Aid Programs

Institution	FY 1987		FY 1988		FY 1989		FY 1990		FY 1991		FY 1992	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Univ of Kansas	6,204	32.5	6,105	31.1	5,653	29.4	6,457	28.8	7,057	28.6	6,892	28.1
Kansas State Univ	5,692	32.6	6,566	36.2	6,699	35.0	8,123	42.4	8,689	42.4	9,100	44.4
Wichita State Univ	4,705	26.3	4,552	25.6	5,118	28.1	5,479	33.8	4,791	27.0	4,538	27.0
Emporia State Univ	1,744	36.4	2,278	47.7	2,581	51.5	2,534	47.5	2,370	43.8	2,530	46.8
Pittsburg State Univ	2,136	43.3	2,069	38.5	2,225	39.8	2,261	39.5	2,224	40.5	2,441	42.2
Fort Hays State Univ	2,967	75.5	2,980	79.5	2,968	80.0	3,234	84.8	3,404	83.8	3,581	78.1
Total	23,448	34.4	24,550	35.3	25,244	35.6	28,088	38.6	28,535	36.7	29,082	37.5

SOURCE: Federal FISAP Reports of Kansas Regents Institutions

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Attachments 2-7
3-16-93

1. REGENTS SUPPLEMENTAL GRANT

Background:

One of the proposed legislative initiatives, approved by the Kansas Board of Regents in October 1992 is the Regents Supplemental Grant, a need-based grant for Kansas students to help reduce reliance on loans. Similar to the Kansas Tuition Grant in mission and scope, the proposed Kansas Supplemental Grant program would target financially needy students. Need-based aid serves to fulfill the original purpose of financial aid which is to improve access to any college to which a financially disadvantaged student is admissible.

The Higher Education Amendments of 1992, signed into law on July 23, 1992, substantially changed both the need analysis methodology and the funding distribution of federal grants. In essence, eligibility for student loans increased and the maximum Pell Grant award decreased.

Supplemental Grant funding is initially targeted to come from tuition revenues. The first year of funding (1993-94), projected at \$2.3 million, would assist 2,400 full-time, undergraduate Kansas students. This represents approximately 25% of the 10,700 students projected to qualify for the grant. Projections are also based on a maximum grant of \$960 which represents approximately 50% of the cost of full-time tuition and fees.

Student eligibility will be based on a distribution formula adopted by the Board which expects a student to provide funding for at least one-half of the cost of attendance by utilizing university, community and corporate scholarships, federal loans, and student resources. The student resource figure will be derived by using the federal formula with modifications if necessary. The remaining calculated cost of attendance is to be funded by parent resources, if any, federal grants followed by the proposed Regents grant.

2. INCLUSION OF WASHBURN UNIVERSITY STUDENTS IN STATE ADMINISTERED FINANCIAL AID PROGRAMS

Background:

The Task Force on Student Financial Assistance reviewed the absence of Washburn University undergraduate students in the array of enhancements it had recommended for financial aid programs in Kansas. Based on general agreement that all needy Kansas students attending baccalaureate degree institutions should have access to State financial aid, the Task Force recommended to the Board of Regents in October 1992, that Washburn be included in the Kansas Tuition Grant program. The Board approved the recommendation as a legislative initiative.

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Attachment 2-8
3-10-93

The maximum grant is recommended to be one half the difference between Washburn tuition and average Regents tuition based on 15 hours per semester. The maximum grant for 1993-94, under such a scenario, is approximately \$400 per year (\$200 per semester). If 25 % of eligible students (full-time Kansas students demonstrating financial eligibility) are funded, then 460 students will receive awards summing to nearly \$184,000.

3. DECENTRALIZATION OF KANSAS TUITION GRANT

Background:

Continuing technological advances make possible more efficient administering of state student financial aid programs. The Kansas Tuition Grant, in existence since 1972, has been centrally administered based on statutory language which reflected a time when financial aid processes were not computerized. A decentralized program would allow all funds to be awarded by November for fall/spring recipients and by late January for spring only recipients. Currently, up to 20% of eventual recipients are uncertain of their fall or spring funding until mid-March which is only three months before the academic year ends.

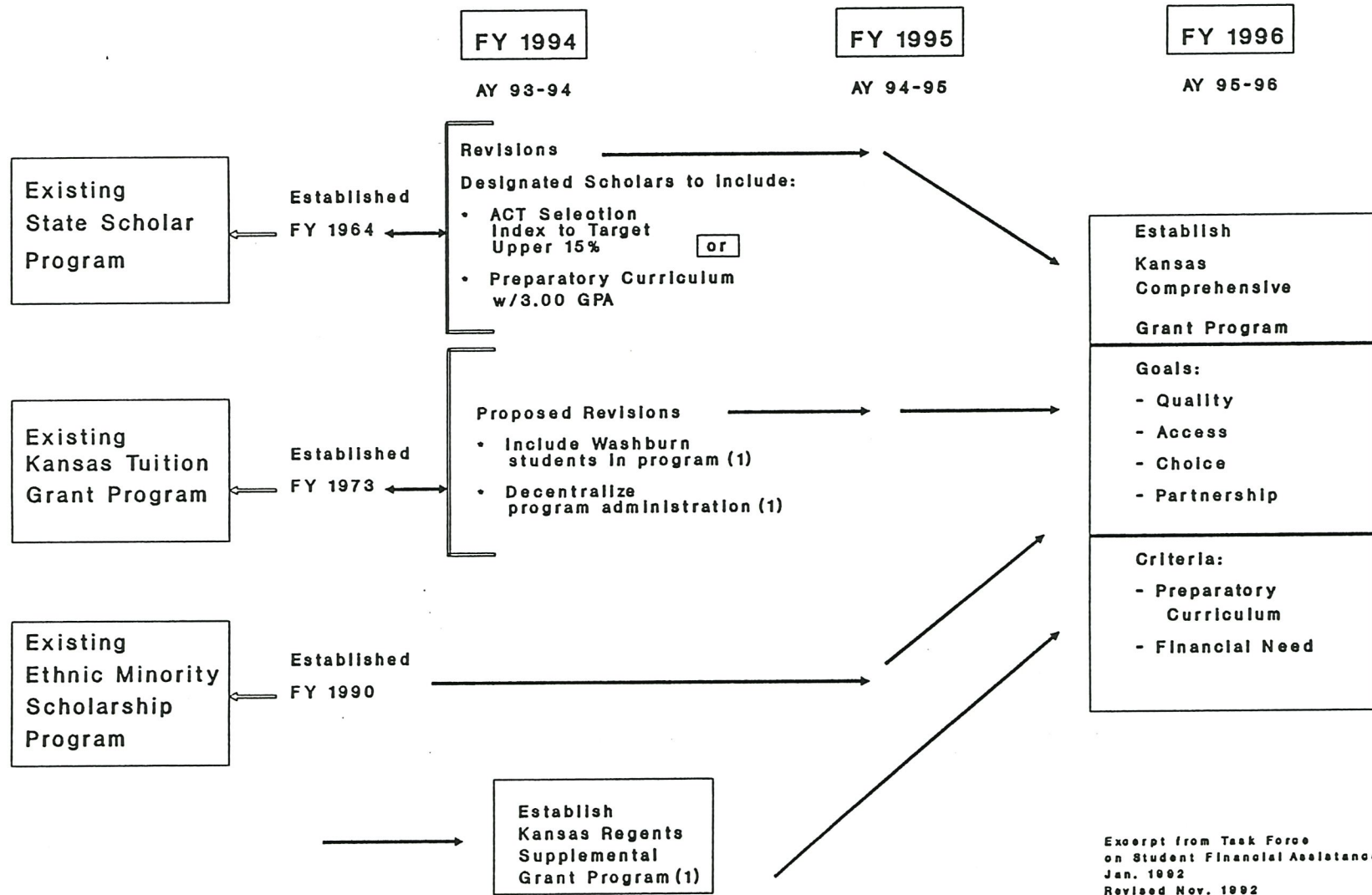
Federal regulations governing State Student Incentive Grant (SSIG) funds (which are part of the State Scholarship and Tuition Grant programs) allow for centralized or decentralized administration. The federal allocation to Kansas in 1992-93 is \$797,474. Whether centralized or decentralized, the Board will continue to be responsible for approving all student awards and maintaining a file of recipients. Under a decentralized option, schools will receive an allocation, award funds utilizing Board criteria, cancel awards and re-award funds.

Administration of any student financial aid program should focus on timely, accurate delivery of aid at the least cost to the system. The cost of duplicate data entry, cutting checks, cancelling checks, depositing refunds, and cutting new checks is not negligible. The Kansas Board of Regents Financial Aid staff estimate savings of eight weeks of staff time which can be redirected to the other state financial aid programs. In addition, the staff of nineteen colleges and the Kansas Department of Administration would benefit from a decentralized system. If one also considers the financial benefit experienced by students who receive early confirmation of funding, decentralization is attractive to all concerned parties.

Prepared by:
Kansas Board of Regents
Student Financial Aid Staff
November 12, 1992

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Attachment 2-9
3-10-93

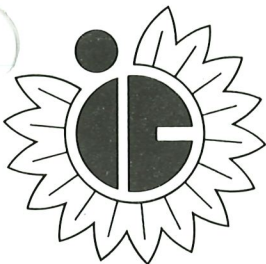
Task Force on Student Financial Assistance Recommended Implementation Schedule for a Kansas Comprehensive Grant Program



(1) Requires Legislative Action

Excerpt from Task Force
on Student Financial Assistance
Jan. 1992
Revised Nov. 1992

HE
Attachment 2-10
3-16-93



KANSAS INDEPENDENT COLLEGE ASSOCIATION

515 Capitol Federal Building, 700 Kansas Avenue, Topeka, Kansas 66603

Telephone (913) 235-9877 • FAX (913) 235-1437

ROBERT N. KELLY, *Executive Director*

March 10, 1993

Testimony before House Education Committee

Mr. Chairman and Members of the Committee:

We support Senate Bill 8 and Senate Bill 9 as essential first steps in the development of a comprehensive state grant program for students attending independent colleges and four-year public universities. (Attached is a tentative blueprint of the plan as endorsed by the Board of Regents.)

Senate Bill 8 has two components: (a) decentralizing the Tuition Grant program to improve efficiency, reduce costs, and better assist students and (b) including Washburn under the Tuition Grant program. As a four-year public university, Washburn needed to be included as part of the future comprehensive grant program. It made more sense to the Regents' Task Force on Student Assistance to include Washburn under the Tuition Grant program rather than under the Supplemental Grant program contained in Senate Bill 9 because the Supplemental Grant program had a dedicated funding source of 2% of Regents' universities tuition revenues.

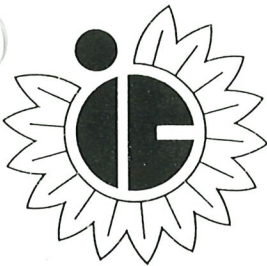
We request an amendment be added to Senate Bill 8 specifically stating that funding for accredited independent institutions remain separate from funding for Washburn at least for the 1994 fiscal year. This amendment is necessary because under decentralized administration prior years experience determines the amount of the state allocation to each college. Washburn has no prior experience. Also, the application processing date determines eligibility among students. Washburn students would apply later than independent colleges and probably would not be eligible for grants. In short, separating the funding for the two types of institutions helps protect Tuition Grants for independent college students and enables Washburn students to receive a separate allocation from additional funds made available by the Appropriations Committee.

With this short term amendment, we endorse Senate Bill 8 and Senate Bill 9 and the grand concept they embody.

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Attachment 3-1

3-10-93



KANSAS INDEPENDENT COLLEGE ASSOCIATION

515 Capitol Federal Building, 700 Kansas Avenue, Topeka, Kansas 66603

Telephone (913) 235-9877 • FAX (913) 235-1437

ROBERT N. KELLY, *Executive Director*

BACKGROUND TO SENATE BILLS NO. 8 AND 9

Endorsing the recommendations of its Task Force on Student Assistance, the Kansas Board of Regents has proposed to change the Kansas student assistance programs fundamentally.

Below are listed the principal components of this proposal:

Primary Goal — A Comprehensive Grant Program

The Regents' proposal focused on establishing, over time, a needs-based grant program for eligible Kansas resident full-time undergraduates attending a Kansas public four-year or independent college. In order to be eligible, new high school graduates would have to have completed a college preparatory curriculum similar to the present Regents Recommended Curriculum. This proposal was designed to encourage students, particularly those from families of modest means, to prepare themselves for college. High schools would use this proposal as leverage to have students complete a college preparatory curriculum.

The eventual goal of achieving this comprehensive grant program was predicated upon implementing and enacting several changes in the present programs this year. Each of these changes is outlined below:

Current Proposed Changes

1. State Scholarship Revisions. Using its regulatory authority, the Board of Regents has changed state scholarship eligibility rules. The State Scholarship program consists of a two-step application process. A prospective scholar must demonstrate academic quality as shown by ACT scores in order to be designated a state scholar. In turn, state scholars can apply for the state scholarship, which requires the scholar to be financially needy, a Kansas resident, and a full-time student at an accredited Kansas postsecondary institution. To retain the scholarship a student had to maintain a 3.30 GPA, which the Regents have now changed to 3.00 because it is more in line with scholarship requirements at the institutional level.

A more fundamental change in the program involved initial scholar eligibility. In addition to maintaining the ACT score requirement, the Regents have added a second method by which a student can become a scholar. Beginning with the 1993 freshmen class, all Kansas high school seniors who complete the Regents Recommended Curriculum (4 years of English; 3 years of mathematics, social science, and science; and 2 years of foreign language) with a 3.00 GPA will be designated state scholars and be eligible to apply for state scholarships. Because it is assumed that these changes, coupled with the relaxing of federal financial need criteria, will result in more scholars being eligible for scholarships, the Regents have requested an appropriation increase of \$500,000 for the state scholarship program to be paid for through increased tuition revenues. NEEDS NO LEGISLATION.

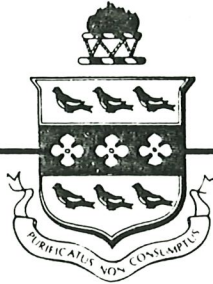
2. Decentralized Administration of the Tuition Grant Program. At the request of the Regents, the Legislative Educational Planning Committee (LEPC) introduced legislation to decentralize administration of the Tuition Grant program. These changes will provide for the grant funds to be awarded directly to the colleges on a semester basis using past experience as the principal factor. The major change would be that the college would proceed through its eligibility list (with the approval of the Regents' office) as students do not enroll or withdraw during the semester. Now, checks have to be mailed to the Regents' office, which then re-awards the funds to students on the basis of a master list. Not only is this method time-consuming, it is inefficient and sometimes results in grants being awarded in late Spring or not at all. With the decentralized procedure, the students would receive their funds in a timely manner and there would be far fewer financial transactions between the state and institutions. Senate Bill 8

3. Regents Supplemental Grant. The Task Force on Student Assistance was very concerned about whether needy Kansans are being denied access to four-year public universities because of increasing tuitions. It proposed that the state set aside 2 per cent of tuition increases over the next four years in order to fund a Supplemental Grant program for needy Kansas residents attending Regent universities. For the 1994 Fiscal Year, it is estimated that a 2 percent tuition increase would raise \$2.3 million, which would assist 2,400 full-time students with a maximum grant of \$960 a year. The program would be administered in the same way as the decentralized Tuition Grant program. The LEPC voted to introduce the legislation enacting the Supplemental Grant. Senate Bill 9

4. Washburn added to the Tuition Grant Program. In order that all four-year public university students could receive the benefits of a state student aid program, the Regents recommended that Washburn students become part of the Tuition Grant program with a specific line item appropriation. The Regents have recommended a funding level of \$320,000. The LEPC voted to introduce the legislation that would add Washburn to the Tuition Grant program. Senate Bill 8

Conclusion

As can readily be seen, the actions by the Regents lead logically to the Comprehensive Grant Program. The State Scholarship changes will encourage high school students to take a rigorous curriculum. Developing a decentralized administration for the Tuition Grant and Supplemental Grant would allow for ease of administration. Phasing the funding in over four years would limit the budgetary impact while encouraging students to apply. The final program with the merger of Tuition Grant, State Scholarship, Minority Scholarship, and Supplemental Grant would have a funding level of approximately \$18 million, as perceived by the Task Force on Student Assistance, with \$7 million being covered by tuition set asides; \$5.5 million by present Tuition Grant appropriations; \$1.5 million by present scholarship appropriations; \$1 million for Washburn appropriations; \$1.5 million for Tuition Grant increases; and \$1.5 million for State Scholarship increases.



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Testimony
House Committee on Education
in Support of Senate Bill 8
by
David G. Monical
Executive Assistant to the President and
Director of Governmental Relations
Washburn University
March 10, 1993

Mr. Chairman, Members of the Committee:

On behalf of Washburn University, we request your support for the comprehensive student financial aid revisions being recommended by the Kansas Board of Regents.

Among the state's goals for higher education are providing financial accessibility for its citizens and choice among the institutions they attend. We provide subsidies to our state institutions so that they may provide a lower tuition than that charged at independent colleges; and, at the same time, support the Tuition Grant Program which provides assistance for residents with financial need to have a choice among independent institutions. Both goals are desirable and both must be supported.

As tuition at the Regents institutions has increased, the Kansas Board of Regents is recommending the creation of a supplemental grant program for needy residents attending their institutions. The authorizing legislation for this program is in Senate Bill 9 and it is supported by Washburn University.

Washburn University also strongly supports the passage of Senate Bill 8. Senate Bill 8 makes modifications to improve the efficiency of the existing Tuition Grant Program and would provide for eligibility for Washburn students to receive a tuition grant. As currently drafted, Washburn students with financial need would be eligible to receive a tuition grant equal to one-half of the difference between Washburn University's tuition and that charged at the state universities. Currently the maximum award which a Washburn student would receive under the proposed program is approximately \$400 per year. Only students attending Washburn on a full-time basis would be eligible for this program.

We feel that it is appropriate for Washburn University students to be eligible to participate. The state currently provides need-based grants for students attending independent colleges and through the Supplemental Grant Program embodied in Senate Bill 9 would provide need-based financial aid to students attending Regents institutions. Passage of Senate Bill 8 will ensure that need-based financial aid is also available to Kansas residents attending Washburn University.

The proposals embodied in Senate Bill 8 were recommended by the Board of Regents Task Force on Student Financial Assistance and approved by the Kansas Board of Regents. These proposals were also reviewed by the Legislative Educational Planning Committee and, through its recommendation, are embodied in the legislation currently before you. We encourage your support for Senate Bill 8.

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Attachment 4-1
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