



KANSAS BOARD OF REGENTS

Neutral Testimony on SB 44 For the Senate Education Committee

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Kansas Board of Regents**

Good afternoon, Chair Erickson, and Members of the Committee. Thank you for the opportunity to appear before you today on SB 44.

The Kansas Promise Scholarship Act was first enacted by the 2021 Legislature. SB 44 would amend the Act to expand which institutions are eligible to participate to include accredited institutions in Kansas that deliver eligible programs and that qualify to receive federal Title IV student financial aid (Pell Grants). Wichita Technical Institute and Heartland Welding Academy are the institutions that would newly qualify for participation in the program under the language of this bill. Current law provides that the following colleges participate:

- the 19 public community colleges;
- six public technical colleges;
- Washburn Institute of Technology; and
- the private, not-for-profit institutions that offer eligible programs (for FY 2024, that included Central Christian College, Cleveland University, Donnelly College, Hesston College, Mid America Nazarene and Newman University).

With the structure of this program, the institutions' financial aid staff make the awards to eligible students (including verification of students' eligibility), and creating and maintaining student-level records as required by the Board of Regents to document the satisfaction of the Act's requirements. The two schools will be required to provide the same level of student information to the Board of Regents as is required of the current institutions.

As SB 44 expands the student population eligible for the Promise Scholarship Program, the bill would increase costs for the Board of Regents – for potential additional scholarship awards and for staff time to administer the program.

The potential increase in scholarship awards would come from expanding eligible institutions. Using federal IPEDS enrollment data for the two schools, it is estimated 401 additional students could be eligible for Promise Scholarship awards in FY 2026. At an average award of \$3,901.28, the additional scholarships would total \$1,564,414. Because the Act limits the program's appropriation to \$10.0 million per year, it is assumed eligible applicants would be denied an award to remain within the FY 2026 appropriation.

For the costs attributable to the administration of the program by the Board of Regents, enactment of SB 44 by itself would not require the addition of staff, although the bill would add two schools and several hundred more applicants each year to a program that is our most complex to administer.

Presumably, the Board of Regents would need to establish a scholarship waiting list for students willing to wait for subsequent years' state funding. We would first want to ensure prioritization of students needing their scholarship renewed for them to complete their program.

This bill, in combination with the new financial aid programs created by the 2023 and 2024 Legislatures, will build on the cumulative administrative effect on our financial aid and IT staff's ability to administer the programs effectively. Last April, the Board presented a request for \$196,798 to the House Appropriations and Senate Ways & Means Committees which was not appropriated for our agency's operations.

The Board of Regents notes that the Legislature has created or added funding to several new service scholarship programs in recent years (the Promise Scholarship, the Hero's Scholarship, the Adult Learner Grant, the Osteopathic Service Scholarship and the new Education Opportunity Scholarship). In the 2023 KLRD Omnibus memo, it was noted the Board estimated the need for \$187,427 for staff salaries to implement 2023 SB 123, which created the new Adult Learner Grant Act, in addition to amending the large and complex Promise Scholarship program created two years prior to that. The 2023 Legislature did not add funding for KBOR's financial aid and IT developer staff, which slowed the launch of the Adult Learner Program application by one year. With the cumulative effect of the programs, the Board again requests state support of the financial aid and information technology staff who work on these public-facing programs. The amount requested for FY 2025 totals \$196,798.

When the Legislature appropriates state monies to the Board of Regents for a financial aid program, those monies are used only for scholarship awards, not for the administration of the programs which includes service agreements that require years of staff time for each individual student. One way to ease the administrative requirements would be to eliminate the service requirement, however, this may limit the intended effect of the program.

The Board of Regents again voices concern that we do not have adequate staff to support these important public-facing programs. Our current staffing levels for the Student Financial Aid unit cannot absorb additional workload, particularly for a service scholarship that requires years of monitoring after completion of the program for every individual, each of whom can have unique personal circumstances.

Thank you for the opportunity to appear before you today.