



**PROPONENT Testimony on HB 2132
For the House Education Committee
February 7, 2023
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Chairman Thomas and members of the committee, thank you for the opportunity to provide written-only proponent testimony related to House Bill 2132, which makes some improvements and corrections to the Kansas Promise Scholarship.

KICA strongly supports HB 2132. Kansas' independent colleges are grateful to be included in the Promise Scholarship's mission to assist Kansans with the cost of pursuing post-secondary credentials in these targeted, highly relevant fields. The Promise Scholarship's approach – need-based, sector-agnostic, and with “skin in the game” from all stakeholders – is ideal for this sort of effort.

As with many new programs however, the initial implementation can illuminate issues that were overlooked. We found several of those issues in the roll-out of the Promise Scholarship, one of which affected the private non-profit colleges which had Promise-eligible associate's degree and certificate programs.

At issue is a matter of difference between what we believe was the intent of the Legislature when creating the Promise Scholarship and the interpretation and implementation by the Board of Regents of the strict wording of the actual statute.

Intent: The Promise Scholarship is intended to make associate's degrees and certificates in select fields effectively “free” at community and technical colleges. “Free” in this case means after all other grants and scholarships are awarded to the student, the Promise Scholarship covers any remaining tuition, fees, and required books and supplies. At a community college or technical college, this is relatively straightforward.

However, when the Legislature passed the Promise Act, it recognized that while the lion's share of this work occurs at the public community and technical colleges, there are some private non-profit colleges which have a parallel programs which should be included.

But because private college sticker tuition is often higher than that at community colleges, the Legislature wanted to ensure that “free” for private colleges was not a route where the state would be paying more to private college students than could be provided to the public colleges. Thus, the committee discussions and testimony both in the 2021 and 2022 sessions emphasized that the maximum amount of scholarship aid to a student should be only sufficient to cover the cost at a public community or technical college (or the average of those). Thus, for private colleges with higher tuition, their students could not receive more in state aid than what public college students were eligible for.

However, the eventual language that was included in the statute did not make this clear. The Board of Regents has indicated to KICA institutions that the current statute, K.S.A. 74-32,274(a)(2) actually says that the amount a private college student is eligible for is the net of the average cost at a public community college minus the total aid awarded by the private college to that student.



A hypothetical example could help illustrate the issue:

Expected Intent:

Newman University offers a Promise-eligible associate's degree in Occupational Therapy Assistant. Imagine that the official sticker cost of that program for tuition, fees, and books is \$10,000 per semester. Newman would calculate the unmet need of a student by taking the actual cost (\$10,000) and subtracting the other grants and scholarships they awarded to that student (\$4,000). That would leave an unmet cost of \$6,000 for that student for the semester.

Meanwhile, at community colleges, the average cost of an OTA associate's degree is \$3,500 per semester. That represents the maximum amount a Promise student could receive.

Thus, since the maximum is less than the unmet need, Newman could only award the student no more than **\$3,500** in Promise Scholarship aid. The student (or Newman) would need to come up with the remaining amount (\$2,500) through other sources. This is what we understood to be the intent of the Legislature when it passed the Promise Scholarship.

Current Interpretation:

However, under the actual wording and interpretation of KBOR, the result is different. Instead of the above, Newman would take the average tuition at community colleges (\$3,500) and subtract the aid other scholarships that Newman offers (\$4,000). That would leave a negative amount (-\$500), meaning that the student would receive no Promise Scholarship aid at all, even though they still had \$6,500 in unmet financial need. In other words, there is no Promise Scholarship support at all for students at private colleges.

That interpretation leads to perverse outcomes that would clearly not be the Legislature's original intent:

- 1) Because KICA institutions award significant amounts of private grant aid – well in excess of the tuition at public community colleges – no private college student would ever actually qualify for Promise Scholarship aid.
- 2) Private colleges could, conversely, stop awarding private grants and scholarships to Promise-eligible program students (and redirect those funds to other students in other programs) in order to maximize state support, thus merely shifting the burden of financial aid to such students rather than expanding college affordability in these programs.

Conclusion:

KICA is requesting the Legislature amend the Promise Act to clarify the language in statute that determines the maximum amount private college students are eligible for. That clarification is included in Section 3 of HB 2132.

We further support the other components of HB 2132 as requested by the community and technical colleges, though these sections currently have no impact on Promise-eligible programs at KICA institutions.

I will be happy to answer additional questions if they arise.