



## KANSAS BOARD OF REGENTS

### House Committee on Education Neutral Testimony on HB 2539

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Good afternoon, Chair Thomas, and Members of the Committee. Thank you for the opportunity to appear today to testify on HB 2539.

This legislation amends the statutes for our Kansas Promise Scholarship Program in three ways.

First, the bill would allow students in five-hour certificate programs to be newly eligible for the scholarship. This would add at least 35 programs to the current 1,091 total Promise Scholarship eligible programs (at public and private institutions):

- Certified Nurse Aide (18 programs at public colleges)
- Certified Medication Aide (14 programs at public colleges)
- Social Service Designee/Activity Director (one program at public colleges)
- Commercial Truck Driving (two programs at public colleges)

Second, the bill would remove the requirement that a student must be a Kansas resident or have lived in Kansas for three years prior to receiving an award. As the bill does not remove the Kansas high school graduation requirement, this change opens the scholarship to two groups of people who are ineligible under current law: Kansas high school graduates who attended a Kansas secondary school for less than three years; and current non-residents who graduated from a Kansas high school.

Third, the bill would remove the requirement that scholarship recipients live in Kansas for two years after completing their scholarship-funded programs. The bill does retain the requirement that scholarship recipients work in Kansas for two years after completion of their program.

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As HB 2539 expands the student population eligible for the Promise Scholarship Program, the bill would increase costs – both in additional scholarship awards and in staff time to administer the program.

The increase in scholarship awards would come from expanding eligible programs to add five-hour programs and the inclusion of students who do not live in Kansas, but who graduated from a Kansas high school and those Kansas high school graduates who have lived in Kansas for less than three years.

The additional cost for adding five-credit hour programs is estimated based on 2023 enrollments in such programs. Assuming a portion of the additional students are Pell-eligible, it is estimated an additional \$1.42 million in Promise Scholarships could be awarded to students in these five-hour programs. Because the Act limits the program's appropriation to \$10.0 million per year, it is assumed more eligible applicants would be denied an award, rather than increasing the overall cost.

The effect of eliminating the residency requirement for scholarship applicants cannot be estimated as it is unknown how many additional eligible students would apply. The average cost per year (15 credit hours in Spring and Fall) for Technical and Community Colleges is \$4,654 (based on Board of Regents' published cost data for resident students). The extent to which the potential additional students qualify for other financial aid would reduce the amount awarded for a Promise Scholarship, but to an unknown degree. Again, with the \$10.0 million statutory cap, broadening eligibility would not have a material effect on the overall total. Instead, scholarship applications will be denied once the cap is reached.

The Board of Regents would need one additional FTE position to administer the changes to this scholarship. As the Kansas Promise Scholarship has a service requirement, the administration of the program continues well past the time when the students receive awards in order to monitor compliance. Our staff would be monitoring different groups of students against different service standards for the program as the residency change is not retroactive. The addition of the five-credit program alone could double the volume of students being served and current staffing levels for Student Financial Aid cannot absorb the additional workload. The increased cost for the staff is estimated to be \$80,000 for salary, benefits, and administrative overhead expenses.

Thank you for the opportunity to appear before you today.