

Promise Scholarship; HB 2064

HB 2064 establishes the Kansas Promise Scholarship Act (Act), which provides scholarships for students to attend an “eligible postsecondary educational institution.” The Act makes the State Board of Regents (Board) the administering agent.

Definitions

The bill defines “eligible postsecondary institution” (institution) to mean one of the following:

- Any community college or technical college established by state statute;
- The Washburn Institute of Technology; or
- Any independent, not-for-profit, postsecondary institution whose main campus or principal place of operation is in Kansas that offers a program eligible under the Act, maintains an open enrollment, and is accredited by a nationally recognized accrediting agency for higher education.

The bill defines a “promise eligible program” (eligible program) to mean any two-year associate degree program, career and technical education certificate, or stand-alone program identified by the Board, or an eligible program as designated by the institution pursuant to Section 3 of this bill.

The bill also defines “military servicemember” as it is defined in law regarding expedited occupational or professional licensing for servicemembers and “part-time student” as a student enrolled for at least six credit hours in a semester who is not enrolled as a full-time student.

Administration

Rules and Regulations

The bill requires the Board to adopt rules and regulations on or before March 1, 2022, pertaining to:

- Application deadlines for the scholarship;
- The appeals process for denial or revocation of a scholarship;
- Guidelines for the transferability of a graduated student’s credits from an institution to a state educational institution or a municipal university;

- The terms, conditions, and requirements of the scholarship agreement between the Board and the student;
- Procedures for requesting and approving certain absences from an institution;
- Criteria for determining whether a student has fulfilled the employment and repayment requirements specified in the bill, including methods of repayment; and
- Criteria for determining whether special circumstances or good cause are present that prevent a student from completing the scholarship requirements.

Eligible Programs

The bill requires the Board to identify the eligible programs that are in the following fields of study:

- Information technology and security;
- Physical and mental health care;
- Early childhood education and development;
- Advanced manufacturing and building trades; or
- Those designated by the institution according to Section 3 of the bill.

Other Responsibilities

The bill also requires the Board to:

- Work with community partners to publicize the Promise Scholarship Program (Program);
- Disburse funds to each institution;
- Request information from each institution;
- Ensure students fulfill the scholarship agreement; and
- Starting in January 2022, annually evaluate the Program and report to the standing education committees of the House of Representatives and the Senate.

Designation of an Additional Eligible Program by the Institution

The bill allows an institution to designate one additional eligible program outside of the specified fields if it is a two-year associate degree program, career and technical education certificate program, or stand-alone program that corresponds to a high-wage, high-demand, or

critical-need field. The bill further requires such institution have no less than one existing eligible program before the institution designates an additional eligible program. Once adopted, the institution must maintain the newly designated eligible program for no less than three years.

Appropriations

The bill requires the Program be subject to appropriations that will not exceed \$10.0 million annually for FY 2022 and FY 2023. Beginning in FY 2024, all subsequent appropriations will not exceed 150.0 percent of the expenditures in the preceding year. The amount of a student's scholarship for each semester is the aggregate of the amount of tuition and related fees or costs of the institution minus the aggregate amount of all other aid awarded to the student. The bill specifies aid includes any financial assistance that would not require repayment.

If a student is enrolled in an eligible program offered by a four-year postsecondary educational institution, the bill requires that the aggregate amount of tuition, fees, books, and materials for such program be considered the average cost of such program when offered by an institution that is not a four-year institution.

The bill prioritizes scholarships for eligible students whose family household incomes are less than or equal to the following amounts:

- \$100,000 for a family of two;
- \$150,000 for a family of three; and
- \$150,000, plus \$4,800 per additional family member beyond three.

Eligible students whose family household income exceeds these limits are eligible for scholarships under the Act only if scholarship money remains after awarding all other prioritized scholarships.

Eligibility for a Scholarship

The bill requires a student to meet the following criteria to be considered eligible for a scholarship:

- Be a resident of Kansas; and
 - In the past 12 months, have:
 - Graduated from an accredited Kansas public or private secondary school;
 - Completed the requirements for graduation from a non-accredited private secondary school, per KSA 72-4345; or
 - Attended an accredited Kansas public or private secondary school or non-accredited private school, per KSA 72-4345, and obtained a high school equivalency certificate;

- Be 21 years of age or older while having been a resident of Kansas for a minimum of three consecutive years; or
- Be a dependent child of a military servicemember permanently stationed in another state and have graduated from any out-of-state secondary school or obtained a high school equivalency certificate within the preceding 12 months;
- Complete a scholarship application as established by the Board;
- Enter into a scholarship agreement with the Board;
- Complete the Free Application for Federal Student Aid; and
- Enroll in an eligible program at an institution.

The bill further requires the student maintain satisfactory academic progress and satisfy the requirements of the scholarship agreement.

The bill does not prohibit a student enrolled in high school who received a postsecondary course credit from qualifying for the scholarship.

Scholarship Agreement, Repayment for Failure to Complete, and Completion of the Program

Scholarship Agreement

The bill requires the student to enter into a scholarship agreement with the institution to receive a scholarship. The scholarship agreement must contain the following criteria for eligible students:

- Enroll as a full- or part-time student in an eligible program at an institution and complete the Program within 30 months of the date upon which the first scholarship was awarded;
- Within six months of completing the eligible program:
 - Reside and work in Kansas for a minimum of two consecutive years; or
 - Enroll as a full- or part-time student at any public or not-for-profit postsecondary educational institution whose main campus or principal place of operation is in Kansas;
- Maintain records and make reports as required by the Board to document satisfaction of the requirements in this bill; and
- Repay the amount of scholarship received, upon failure to satisfy the requirements of the scholarship agreement.

Repayment

Failure to satisfy the requirements of a scholarship agreement will result in the scholarship recipient being liable for repayment to the Board in the amount of the awarded scholarship plus accrued interest. The interest is to be set at the rate of the Federal PLUS Program at the time the scholarship was awarded. Moneys collected in this manner are to be remitted to the State Treasurer to be put into the Kansas Promise Scholarship Program Fund. The bill allows installment payments to be made in accordance with Board rules and regulations, with payments to begin six months after the cause for the failure to satisfy the requirements as determined by the Board.

The Board is authorized to transfer any repayment account to a loan servicer or collection agency.

The Board may postpone the requirements for good cause.

Completion of the Program

A scholarship recipient satisfies the requirements of the Program when the recipient:

- Completes the requirements of the scholarship agreement;
- Commences service as a military servicemember after receiving the scholarship;
- Fails to satisfy the requirements after making the best possible effort to do so as determined by the Board; or
- Is unable to satisfy the requirements due to disability or death of the recipient.

Kansas Promise Scholarship Program Fund

The bill establishes the Kansas Promise Scholarship Program Fund to be administered by the Board.