Kansas Promise Scholarship Act

Kansas Board of Regents Webinar
May 20, 2021

Kansas Board of Regents
Building a Future for Kansas Families, Businesses and the Economy
Welcome

- Questions may be submitted via the Q&A function
- KBOR will gather questions today
- An FAQ will be developed to answer all submitted questions
Promise Act Background

- House Bill 2064
- Board supported the bill and provided technical assistance
- Passed by Legislature and signed by Governor Kelly on April 23, 2021
- Takes effect on July 1, 2021
Promise Act Funding

• Board Office will receive the $10 million appropriation on July 1 and will begin disbursing funds to the eligible institutions shortly thereafter

• The plan, as we know it now, is to distribute funds for the full academic year

• We are still determining the details of distribution

• Year one will be based on last year’s credit hour production in the eligible programs
Promise Act Scholarship Legislation

- HB 2064
HOUSE BILL No. 2064

As Act concerning postsecondary education, creating the Kansas promise scholarship act and the Kansas promise scholarship fund.

Be it enacted by the Legislature of the State of Kansas:

Section 1. (a) Section 1 et seq., and amendments thereto, shall be known and may be cited as the Kansas promise scholarship act.
(b) As used in the Kansas promise scholarship act:
(1) "Eligible postsecondary educational institution" means:
(A) Any community college or technical college established under the laws of this state;
(B) the Washburn Institute of Technology; or
(C) any not-for-profit institution of postsecondary education with its main campus or principal place of operation in Kansas that offers a promise eligible program, is operated independently and not controlled or administered by any state agency or subdivision of the state, maintains open enrollment and is accredited by a nationally recognized accrediting agency for higher education in the United States.
(2) "Military servicemember" means the same as defined in K.S.A. 2020 Supp. 48-3406, and amendments thereto.
(3) "Part-time student" means a student who is enrolled for six credit hours or more in a semester and is not enrolled as a full-time student.
(4) "Promise eligible program" means any two-year associate degree program or career and technical education certificate or stand-alone program offered by an eligible postsecondary educational institution that is identified as a "promise eligible program" by the state board of regents pursuant to section 2, and amendments thereto, or designated as a "promise eligible program" by an eligible postsecondary educational institution pursuant to section 3, and amendments thereto.
Sec. 2. (a) There is hereby established the Kansas promise scholarship program. The state board of regents shall administer the program.
HB 2064, Sec. 2 (b)

(b) On or before March 1, 2022, the state board of regents shall adopt rules and regulations to implement and administer the Kansas promise scholarship program. Such rules and regulations shall establish:

1. Scholarship application deadlines;
2. Appeal procedures for denial or revocation of a Kansas promise scholarship;
3. Guidelines to ensure as much as is practicable that, if a student who received a Kansas promise scholarship graduates from a promise eligible program and subsequently enrolls in a state educational institution, as defined in K.S.A. 76-711, and amendments thereto, or municipal university, any courses taken by such student shall be transferred to the state educational institution or municipal university and qualify toward the student's baccalaureate degree;
4. The terms, conditions and requirements that shall be incorporated into each Kansas promise scholarship agreement;
5. Procedures for requesting and approving medical, military and personal absences from an eligible postsecondary educational institution while receiving a Kansas promise scholarship;
6. Criteria for determining whether a student who received a Kansas promise scholarship fulfilled the residency, employment and repayment requirements included in a Kansas promise scholarship agreement as provided in section 6, and amendments thereto; and
7. Criteria for determining when a student who received a Kansas promise scholarship may be released from the requirements of a Kansas promise scholarship, if there are special circumstances that caused such
HB 2064, Sec. 2(c)(1)

(c) The state board of regents shall:
(1) Identify the promise eligible programs offered by each eligible postsecondary educational institution that are:
   (A) In any of the following fields of study:
      (i) Information technology and security;
      (ii) mental and physical healthcare;
      (iii) advanced manufacturing and building trades; or
      (iv) early childhood education and development; or
   (B) designated by the eligible postsecondary educational institution pursuant to section 3, and amendments thereto;
Sec. 3. (a) Subject to subsection (b), an eligible postsecondary educational institution may designate one additional promise eligible program if the additional program is a two-year associate degree program or a career and technical education certificate or stand-alone program that corresponds to a high wage, high demand or critical need occupation.

(b) To designate an additional promise eligible program, such institution shall have and maintain an existing promise eligible program in any of the following fields of study:

1. Information technology and security;
2. Mental and physical healthcare;
3. Advanced manufacturing and building trades; or
4. Early childhood education and development.

(c) An eligible postsecondary educational institution that designates an additional promise eligible program pursuant to subsection (a) shall maintain the promise eligible program designation of such program for at least three consecutive years. After maintaining such program for at least three years, the institution may designate a new promise eligible program that corresponds to a high wage, high demand or critical need occupation to replace the existing designated promise eligible program. Any newly designated program shall be subject to the requirements of this section.
Promise Act Program Identification

- Reasons why KBOR staff asked for an additional program:
  - The Act says an additional promise eligible program
  - The Act refers to certain degree requirements which only involve programs
  - KDOL only classifies programs as high wage or high demand
- Should the Promise Act be altered to allow the selection of a field of study, we will be contacting each institution for their selection
- The additional program must be maintained for at least three consecutive years
Promise Act Program Identification

- First week of May we sent a list of the technical programs that staff believes meet the Promise Act criteria
- Requested each Institution provide a list of what it believes are its eligible transfer programs and its one additional program that corresponds to a high wage, high demand, or critical need occupation
- We have almost finished compiling the comprehensive list of each Institution’s Promise Eligible Programs
- TEA will consider at its May 27 meeting and make a recommendation to the Board
- Board will consider at its June 16-17 meeting and act to officially identify the Promise Eligible Programs at each Institution, including each one’s additional program
Promise Act Program Identification

• We intend to send a master list of programs to every institution in the next few days
• Our plan is to allow institutions to update their Promise Act eligible programs twice a year pursuant to Board approval
(2) work with community partners, such as community foundations, school districts, postsecondary educational institutions, Kansas business and industry and Kansas economic development organizations to publicize Kansas promise scholarships, including, but not limited to, publicizing eligible postsecondary educational institutions, approved scholarship-eligible educational programs, application procedures and application deadlines;
(3) disburse funds to each eligible postsecondary educational institution for the purpose of awarding Kansas promise scholarships;

(4) request information from eligible postsecondary educational institutions necessary for the administration of this act;

(5) ensure that any student who received a Kansas promise scholarship fulfills the residency, employment and repayment requirements provided in section 6, and amendments thereto; and

(6) beginning in January 2022, annually evaluate the Kansas promise scholarship program and prepare and submit a report to the senate standing committee on education and the house of representatives standing committee on education.
Sec. 4. (a) (1) Subject to appropriations, the amount of a Kansas promise scholarship for a student for each semester shall be the aggregate amount of tuition, required fees and the cost of books and required materials for the promise eligible program at the eligible postsecondary educational institution for the academic year in which the student is enrolled and receiving the scholarship minus the aggregate amount of all other aid awarded to such student for such semester. Aid includes any grant, scholarship or financial assistance awards that do not require repayment.

(2) If a student is enrolled in a promise eligible program offered by a four-year eligible postsecondary educational institution, the aggregate amount of tuition, mandatory fees and the cost of books and materials for such program shall be the average cost of tuition, mandatory fees and the cost of books and materials for such program when offered by an eligible public postsecondary educational institution that is not a four-year institution.

(b) Except as otherwise provided in this subsection, Kansas promise scholarships shall only be awarded to an eligible student whose family household income equals $100,000 or less for a family of two, $150,000 or less for a family of three and, for household sizes above three, a household income that is equal to or less than the family of three amount plus $4,800 for each additional family member. If scholarship moneys remain in the Kansas promise scholarship program fund during the award year after awarding all other scholarships pursuant to this section, Kansas promise scholarships may be awarded to eligible students whose family household income exceeds such amounts.

(c) For fiscal years 2022 and 2023, the appropriation made for the Kansas promise scholarship program shall not exceed $10,000,000. For fiscal year 2024 and each fiscal year thereafter, the appropriation shall not exceed 150% of the amount disbursed in promise scholarships for the immediately preceding fiscal year.
Sec. 5. (a) To be eligible for a Kansas promise scholarship, a student shall:

1. Be a Kansas resident;
2. (A) have graduated from an accredited Kansas public or private secondary school within the preceding 12 months;
   (B) have completed the requirements for graduation at a non-accredited private secondary school as provided in K.S.A. 72-4345, and amendments thereto, within the preceding 12 months;
3. (C) attended an accredited Kansas public or private secondary school or non-accredited private school as provided in K.S.A. 72-4345, and amendments thereto, and obtained a high school equivalency certificate within the preceding 12 months;
4. (D) be 21 years of age or older and, upon application for a scholarship, have been a resident of Kansas for three or more consecutive years; or
5. (E) be a dependent child of a military servicemember permanently stationed in another state and who, within the preceding 12 months, graduated from any out-of-state secondary school or obtained a high school equivalency certificate;

(b) To continue to receive a Kansas promise scholarship, a student shall:

1. Maintain satisfactory academic progress toward completion of the promise eligible program; and
2. satisfy the requirements of a Kansas promise scholarship agreement as provided in section 6, and amendments thereto.
3. Nothing in this act shall prohibit a student who received postsecondary course credit while enrolled in high school from qualifying for a Kansas promise scholarship.
Student Eligibility

• Be a Kansas resident;
• Have graduated from a secondary school within the preceding 12 months;
• Be 21 years of age or older and a Kansas resident for the preceding three consecutive years; or
• Be a dependent child of a military servicemember permanently stationed in another state and who, within the preceding 12 months, graduated from any out-of-state secondary school or obtained a high school equivalency.
Students must

• Complete the required Kansas Promise Scholarship application;
• Complete the Free Application for Federal Student Aid (FAFSA);
• Enter into a Kansas Promise Scholarship service agreement;
• Enroll in an eligible program at an eligible institution (may be part-time or full-time);
• Maintain satisfactory academic progress toward completion of their Promise eligible program; and
• Complete their program of study within 30 months of the date that the scholarship was first awarded.
Students Satisfy the Service Agreement

- Completing their program of study and upon completion, reside and work in Kansas for a minimum of two consecutive years or enroll in a Kansas institution of higher education;
- Commence service as a military servicemember after receiving the scholarship;
- Are determined by the Kansas Board of Regents to have “made the best possible effort to do so”; or
- Are unable to satisfy the requirements due to disability or death of the recipient.
If Student does not complete requirements

• Student must repay the scholarship plus accrued interest (at the federal PLUS program interest rate) within six months after failure to satisfy the agreement;

• Installment payments on the indebtedness are allowable.
Awarding:

• Students may receive a scholarship in the amount of:
  Aggregate tuition, required fees, books & required materials
  minus all other aid, grants, scholarships or financial assistance awards
  that do not require repayment.

• Scholarships are prioritized according to the applicant’s annual household income:
  $100,000 or less for a family of two;
  $150,000 or less for a family of three; and
  $150,000 + $4,800 per additional family member beyond three.

• If funds remain after awarding eligible applicants, other students with greater household income may become eligible.
For eligible students attending a four-year eligible postsecondary institution, the scholarship award is limited to the average cost of what is charged by a two-year eligible public institution offering the same program.
Sec. 6. (a) As a condition to receiving a Kansas promise scholarship, an eligible student shall enter into a Kansas promise scholarship agreement with the eligible postsecondary educational institution making the scholarship award to such student. Such agreement shall require such student who receives a Kansas promise scholarship to:

(1) Enroll as a full-time or part-time student at the eligible postsecondary educational institution from which the student is receiving a Kansas promise scholarship and engage in and complete the required promise eligible program within 30 months of the date the scholarship was first awarded;

(2) within six months after graduation from the promise eligible program:

(A) Reside in and commence work in the state of Kansas for at least two consecutive years following completion of such program; or
(B) enroll as a full-time or part-time student in any public or private postsecondary educational institution with its primary location in Kansas and upon graduation or failure to re-enroll, reside in and commence work in Kansas for at least two consecutive years following the completion of such program;

(3) maintain records and make reports to the state board of regents on such forms and in such manner as required by the state board of regents to document the satisfaction of the requirements of this act; and

(4) upon failure to satisfy the requirements of a Kansas promise scholarship agreement, repay the amount of the Kansas promise scholarship the student received under the program as provided in subsection (b).
HB 2064, Sec. 6 continued

(b) (1) Except as provided in subsection (c), if any student who receives a Kansas promise scholarship fails to satisfy the requirements of a Kansas promise scholarship agreement, such student shall pay an amount equal to the total amount of money received by such student pursuant to such agreement that is financed by the state of Kansas plus accrued interest at a rate equivalent to the interest rate applicable to loans made under the federal PLUS program at the time such person first entered into an agreement. Installment payments of such amounts may be made in accordance with rules and regulations of the state board of regents. Such installment payments shall begin six months after the date of the action or circumstances that cause such student to fail to satisfy the requirements of a Kansas promise scholarship agreement, as determined by the state board of regents upon the circumstances of each individual case. All moneys received pursuant to this subsection shall be remitted to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the Kansas promise scholarship program fund.

(2) The state board of regents is authorized to turn any repayment account arising under this act to a designated loan servicer or collection agency, the state not being involved other than to receive payments from the loan servicer or collection agency at the interest rate prescribed under this subsection.

(c) Any requirement of a Kansas promise scholarship agreement entered into pursuant to this section may be postponed for good cause in accordance with rules and regulations of the state board of regents.

(d) A scholarship recipient satisfies the requirements of the Kansas promise scholarship program if such recipient:

(1) Completes the requirements of the scholarship agreement;

(2) commences service as a military servicemember after receiving a Kansas promise scholarship;

(3) fails to satisfy the requirements after making the best possible effort to do so as determined by the state board of regents;

(4) is unable to obtain employment or continue in employment after making the best possible effort to do so; or

(5) is unable to satisfy the requirements due to disability or death of the recipient.
Sec. 7. There is hereby created in the state treasury the Kansas promise scholarship program fund, which shall be administered by the state board of regents. All expenditures from the Kansas promise scholarship program fund shall be for scholarships awarded pursuant to the Kansas promise scholarship program. All expenditures from the Kansas promise scholarship program fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and

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reports issued pursuant to vouchers approved by the executive officer of the state board or the designee of the executive officer. All moneys received by the board for the Kansas promise scholarship program shall be deposited in the state treasury in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the Kansas promise scholarship program fund.
Timeline – What’s been completed?

- May 7, 2021: Email sent to Eligible Institutions’ Presidents and other representatives providing the information the Board Office has on Eligible Programs and seeking feedback on other “field of study” programs and the Institution’s designated additional program
- May 10, 2021: Email sent to Eligible Institutions’ Financial Aid Officers with preliminary information about the program
- May 14, 2021: Draft application sent to Institutions’ Financial Aid Officers for review and feedback
- May 17, 2021: Deadline for each Eligible Institution to submit request for any “additional program” and for consideration of field-of-study programs not included in the initial KBOR draft list
Timeline – What’s upcoming?

• May 27, 2021: The Kansas Postsecondary Technical Education Authority (TEA) will consider the assembled program list and make a recommendation to the Board as to those the Board must “identify” as the Promise Scholarship Eligible Programs
Timeline – What’s upcoming?

• By June 1, 2022: KBOR plans to send a package of information out to Eligible Institutions, including:
  • Draft Funds Distribution Agreement
  • Final Scholarship Application form
  • Draft Service Scholarship Agreement form to be entered into by each Institution and each scholarship Recipient
  • Information about the Board website FAQ page
  • Link to Board webpage with information about the Promise Scholarship for both Students and Institutions
  • Any other forms or information ready at that time
Timeline – What’s upcoming?

• June 16-17, 2021: Board will act on the TEA recommended Eligible Programs list for final identification
• July 1, 2021: Promise Act takes effect; appropriation should be received by KBOR soon after
  • Once the Board Office receives the appropriation, it will distribute Scholarship $ to each Eligible Institution within ten business days after receipt of the Institution’s signed Funds Disbursement Agreement
Timeline – What’s upcoming?

• March 1, 2022: Deadline for adoption of rules and regulations
  • To meet this deadline, the Board will have to adopt the regulations at its February 2022 meeting
  • Process can take up to 12 months to complete for permanent regulations
  • Will likely need to start with temporary regulations, which could take up to six months to complete
  • Regulations will not be in place before launching the Program in Fall 2021
  • Will need to rely instead on the Funds Distribution Agreement with each Institution in the first year of the Program
Resources

• Will develop FAQ based on questions today
• FAQ and all other resources will be available on KBOR website
• kansasregents.org/promiseact
• Questions may be emailed to promise@ksbor.org