

MINUTES OF THE HOUSE COMMITTEE ON HIGHER EDUCATION.

The meeting was called to order by Chairperson Lisa Benlon at 3:40 p.m. on January 28, 2002 in Room 231-N of the Capitol.

All members were present except: Deena Horst (E)
Annie Kuether (E)
Valdenia Winn (E)

Committee staff present: Carolyn Rampey, Legislative Research
Paul West, Legislative Research
Renaë Jefferies, Revisor of Statutes
Jim Wilson, Revisor of Statutes
Dee Ann Woodson, Committee Secretary

Conferees appearing before the committee:

Colonel Adam King, representing the Adjutant General's Office
Diane Lindeman, Director, Student Financial Assistance, State Board of Regents

Others attending:

See attached sheet.

Chairperson Benlon opened the hearing on **HB 2642**, and asked Carolyn Rampey from Legislative Research to give a bill briefing and recommendations from the Legislative Educational Planning Committee (LEPC) who had referred this bill to Higher Education. Ms. Rampey distributed an excerpt from the LEPC Report to the 2002 Session, and summarized its recommendations with explanations of how the program would be administered. She said that the bill was introduced at the request of the Adjutant General's Office, and carries out the request that was made to the LEPC to transfer the program to the State Board of Regents, which also administers the ROTC Scholarship Program. (Attachment 1)

Colonel Adam King, Executive Support Staff Officer for the Kansas Air National Guard and representative of the Adjutant General's Office, testified before the Committee in favor of **HB 2642**. He told the Committee that the Kansas National Guard Educational Assistance Program was originally established by law in 1996, and since its inception over 2,000 students have participated. He explained the benefits of the program for both the participants, the National Guard as well as the state. He stated that he was appearing before the Committee to propose some administrative changes to the statute and clarify the rationale for those changes which ultimately should simplify administration of the program and increase the perception of benefit to the recipients.

Colonel King explained the first recommendation was to change the eligibility criteria for participants from requiring the member to first complete Basic Training to making the individual eligible for benefits upon enlistment. He said this would allow participants to attend school and be eligible to receive benefits while awaiting Basic Training as some recipients have to wait a year or longer to get into Basic Training which is no fault of the individual. He stated that the second proposal they were recommending was to shift the administration of the program from the Adjutant General's Department to the Kansas Board of Regents. Colonel King explained that this would enhance the overall service to the customer because the Board of Regents had more expertise in dealing with educational institutions and tuition assistance administration than the Adjutant General's Department. He added that the Adjutant General's Department would still be involved in the program by verifying participant eligibility and coordination with the Board of Regents.

The third proposed change, Colonel King said was to require those individuals eligible to receive federal funds for tuition and fees as a result of their National Guard membership be required to use those federal funds prior to receiving state funds, which would hopefully increase the overall number of state funds available to provide educational opportunities to Kansas National Guardsmen. Colonel King stated that

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they were also requesting an adjustment to the service commitment incurred by program recipients with the changing of language to reflect a service commitment beyond their present term of enlistment equal to 50% of the duration of the benefit. He explained that one semester worth of benefits would incur an additional three months of service commitment, one year incurred a six month commitment and so on. He said this change would create a more reasonable correlation between the term of benefits and service commitment.

Colonel King testified that they are also proposing that an individual, who is verified as eligible, be allowed to enroll with no out of pocket money, and the school would then bill the Board of Regents for the member's tuition and fees. He said that currently the participants have to pay 100% of the tuition and fees out of pocket prior to starting a semester and then is reimbursed a percentage of their expenditures later in the school year. He explained the Regents would issue a warrant to the school based upon availability of funds, and if there were not sufficient funds to pay tuition and fees, the school would then bill the student for the difference. He stated this change would not increase the administrative process, and would not decrease the amount of funds received by the school. He added that it would enable the student to pay a lesser out of pocket amount and delay that payment until later in the semester.

The final proposed recommendation that Colonel King talked about was to create a Kansas National Guard Educational Assistance Program repayment fund in the State Treasury whereby any recouped funds may be returned to this program. He stated that presently no such fund exists and any recouped funds are returned to the State's General Fund. He concluded his testimony by saying that the proposed changes would greatly simplify administration of the program and increase the perception of these educational benefits to approximately 300 Kansas National Guard men and women annually in return for service to their community, state and nation. (Attachment 2)

General questions and discussion followed by Committee members regarding transfers from other states to the Kansas program, clarification of the availability of funds and how amounts are determined for each eligible students depending upon the allocation of funds by the state, grade requirements and oversight of progress for each student, other possible financial aid available, other benefits afforded National Guard men and women when on active duty such as medical, dental, PX privileges, etc., and the problem for the Adjutant General's Department in tracking or auditing other financial aids received by program participants.

Because of his past working experience in the National Guard, Representative Tafaanelli further clarified to the Committee members how the Assistance Program was set up to run in conjunction with the appropriation of state funding since they don't know from year to year what amount that would be each year. He said it was devised that when individuals apply at the beginning of the semester there was a cut-off date, and after that date they take the dollar amount appropriated and divide it by the total number of participants in order for everyone to receive something. He stated that it was difficult for the students from year to year to know how much to expect from the State Tuition Assistance Program because it is based on whatever the Legislature appropriates from one year to the next.

Committee discussion and questions continued with concerns expressed regarding completion of service requirements, length of time it takes individuals to be scheduled for their Basic Training after signing on with the National Guard and being approved for participation in the assistance program, further clarification by staff on the repayment of the scholarship funds back to the National Guard's scholarship fund, some cleanup language needed in the statute involving the Department of Education wording, what happens when participants do not make acceptable grades, and explanation about some participants needing only one year of schooling vs a four year study course depending on their chosen fields. Inquiry was also made as to the reason for the change in the service obligation from a four-year commitment to serve in the National Guard to one and one-half years of service obligations to be fulfilled concurrently with the benefit.

The Chair called upon Diane Lindeman, Director, Student Financial Assistance with the Kansas Board of Regents, to testify before the Committee about the changes being requested by the Adjutant General's Department in **HB 2642**, and also the impact on the Board of Regents taking
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over the administration of the National Guard Educational Assistance Program. She explained that they currently administer 15 student financial assistance programs which disburses about

\$16 million to nearly 11,000 students from about 27,000 eligible applicants. She stated that included in those programs were five programs which contained provisions for payback through service or repayment in cash with interest. Ms. Lindeman added that the workload, time and effort involved requires 100% of the work time of the four employees assigned to student financial aid administration, and no other staff are available to assist in administering the financial aid programs. She said that for them to take on administering the National Guard Educational Assistance Program it would require an additional classified position and funding plus one Senior Administrative Assistant position at a cost of \$26,500 annually for salaries and benefits; \$2,500 annually for OOE; and \$3,000 one-time for office fixtures, equipment and furniture. (Attachment 3)

Committee questions regarded the need for an additional position to handle only 300 participants when the current four positions are handling 11,000, new position would also handle other work assignments within the Board of Regents and not just the National Guard's program work, and that 38 to 42 schools are involved each year with this program and the area of expertise for the National Guard is not in dealing with educational institutions.

Chairperson Benlon closed the hearing on **HB 2642**. There being no objections expressed by the Committee members, Chairperson Benlon called for final action on the bill. Representative Krehbiel stated that he wanted to make sure that the language in the bill was corrected, and the Revisor, explained how they would correct the language.

Representative Krehbiel made a motion that this bill be passed out of Committee with the changes as confirmed by the Revisor. Representative Storm seconded the motion.

After Committee discussion, vote was taken and the motion passed unanimously. Representative Tafaelli agreed to carry the bill on the floor.

The minutes for the Higher Education Committee meeting of January 23 were presented for approval. Representative Storm made the motion to approve the minutes as written, seconded by Representative Krehbiel, and the motion carried.

Chairperson Benlon adjourned the meeting at 5:05 p.m. The next meeting of the House Higher Education Committee will be On Call of the Chair.

