## As Amended by Senate Committee

Session of 2022

## SENATE BILL No. 340

By Committee on Education

1-13

 AN ACT concerning higher education; relating to the Kansas promise
 scholarship-program *act*; responsibilities of the state board of regents
 and postsecondary educational institutions; authorizing designation of
 additional eligible programs and fields of study; amending K.S.A. 2021
 Supp. 74-32,271, 74-32,272, 74-32,273, 74-32,274, 74-32,275 and 74-32,276 and repealing the existing sections.

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

9 New Section 1. (a) The Kansas promise scholarship act, K.S.A. 2021 Supp. 74-32,271 through 74-32,277, and amendments thereto, 10 shall expire on July 1, 2027. Kansas promise scholarship recipients who 11 12 had been awarded a Kansas promise scholarship prior to July 1, 2027, 13 may continue to receive such scholarship awards until they complete the 14 Kansas promise scholarship program as provided in the Kansas promise 15 scholarship act, prior to its expiration, but no new scholarship may be 16 awarded after July 1, 2027.

(b) This section shall be a part of and supplemental to the Kansaspromise scholarship act.

Section 1. Sec. 2. K.S.A. 2021 Supp. 74-32,271 is hereby amended to
read as follows: 74-32,271. (a) K.S.A. 2021 Supp. 74-32,271 et seq., and
amendments thereto, shall be known and may be cited as the Kansas
promise scholarship act.

23 24 (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 *and with a recognized service area*;

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(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.

34 (2) "Military servicemember" means the same as defined in K.S.A.

1 2021 Supp. 48-3406, and amendments thereto.

2 (3) "Part-time student" means a student who is enrolled for six credit 3 hours or more in-a *the fall, summer or spring* semester and is not enrolled 4 as a full-time student.

5 (4) "Promise eligible program" means any two-year associate degree 6 program or career and technical education certificate or stand-alone 7 program offered by an eligible postsecondary educational institution that 8 is:

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## (A) Approved by the state board of regents;

## (B) high wage, high demand or critical need; and

11 (C) identified as a "promise eligible program" by the state board of 12 regents pursuant to K.S.A. 2021 Supp. 74-32,272, and amendments 13 thereto, or-designated as a "promise eligible program" *within a field of* 14 *study designated* by an eligible postsecondary educational institution 15 pursuant to K.S.A. 2021 Supp. 74-32,273, and amendments thereto.

16 Sec.-2: 3. K.S.A. 2021 Supp. 74-32,272 is hereby amended to read as 17 follows: 74-32,272. (a) There is hereby established the Kansas promise 18 scholarship program. The state board of regents shall *implement and* 19 administer the program.

(b) On or before March 1, 2022 2023, 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) A scholarship application deadlines process, including, but not
 limited to, accepting scholarship applications throughout the academic
 year and processing such applications in the order such applications were
 received;

(2) appeal procedures for denial or revocation of a Kansas promisescholarship;

(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, which shall not be more
stringent than the requirements for Kansas promise scholarship
agreements provided in this act;

40 (5) procedures for requesting and approving medical, military and
41 personal absences from an eligible postsecondary educational institution
42 while receiving a Kansas promise scholarship;

43 (6) criteria for determining whether a student who received a Kansas

promise scholarship fulfilled the residency, employment and repayment 1 requirements included in a Kansas promise scholarship agreement as 2 provided in K.S.A. 2021 Supp. 74-32,276, and amendments thereto; and 3

(7) criteria for determining when a student who received a Kansas 4 5 promise scholarship may be released from the requirements of a Kansas 6 promise scholarship, if there are special circumstances that caused such 7 student to be unable to complete such requirements; and

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(8) that no eligible postsecondary educational institution may:

9 (A) Limit scholarship awards to certain promise eligible programs 10 at such institution; or

(B) award less than the full Kansas promise scholarship amount for 11 which a student qualifies as long as funds are available in the Kansas 12 promise scholarship program fund. 13

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(c) The state board of regents shall:

(1) Identify the promise eligible programs offered by each eligible 15 16 postsecondary educational institution that are:

(A) Within a field of study designated by the eligible postsecondary 17 18 educational institution pursuant to K.S.A. 2021 Supp. 74-32,273, and 19 amendments thereto: and

20 (B) in any of the following fields of study:

(i) Information technology and security;

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(ii) mental and physical healthcare;

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(iv) early childhood education and development; or

(iii) advanced manufacturing and building trades; or

25 (B) designated by the eligible postsecondary educational institution pursuant to K.S.A. 2021 Supp. 74-32,273, and amendments thereto; 26

(2) work with community partners, such as community foundations, 27 school districts, postsecondary educational institutions, Kansas business 28 29 and industry and Kansas economic development organizations to publicize Kansas promise scholarships, including, but not limited to, publicizing 30 31 eligible postsecondary educational institutions, approved scholarshipeligible educational programs, application procedures and application 32 33 deadlines:

34 (3) disburse funds to each eligible postsecondary educational 35 institution for the purpose of awarding Kansas promise scholarships;

(4) request information from eligible postsecondary educational 36 37 institutions and any state agency necessary for the administration of this 38 act:

39 (5) ensure that any student accept electronic signatures as sufficient and valid on all forms and agreements required by the Kansas promise 40 41 scholarship program and any rules and regulations adopted thereunder; 42 (6) enforce Kansas promise scholarship agreements;

43 (7) collect any moneys repaid by students pursuant to K.S.A. 2021

1 Supp. 74-32,276, and amendments thereto;

(8) determine whether students who received a Kansas promise
scholarship-fulfills fulfill the residency, employment and repayment
requirements provided in K.S.A. 2021 Supp. 74-32,276, and amendments
thereto; and

6 (6)(9) beginning in January 2022, annually evaluate the Kansas 7 promise scholarship program and prepare and submit a report to the senate 8 standing committee on education and the house of representatives standing 9 committee on education. Such report shall include, but not be limited to, the total program cost for each promise eligible program at each eligible 10 postsecondary educational institution, the amount of scholarship moneys 11 12 awarded that went to each promise eligible program, the number of credit hours paid for with scholarship moneys, the amount of scholarship 13 moneys expected to be awarded to each institution for each semester, the 14 15 number of scholarships awarded, the total amount of scholarship moneys 16 awarded-and, the amount of scholarship moneys provided for tuition, fees, books and supplies, measures postsecondary educational institutions 17 have taken in working with private business and industry in the state to 18 19 determine appropriate fields of study and a review of the employment of scholarship recipients who have completed the Kansas promise 20 21 scholarship program, including, but not limited to, employment fields 22 and geographic location of such employment.

(d) (1) The state board of regents may designate an associate degree
 transfer program as an eligible program only if such program is included
 in:

26 *(A)* An established 2+2 agreement with a four-year postsecondary 27 educational institution; or

(B) an articulation agreement with a four-year postsecondary
educational institution and is part of an established degree pathway that
allows a student to transfer at least 60 credit hours from the eligible
postsecondary educational institution to a four-year postsecondary
educational institution for the completion of an additional 60 credit hours
toward a bachelor's degree.

(2) The provisions of this subsection shall be construed and applied
retroactively to the enactment of the Kansas promise scholarship program
on July 1, 2021.

37 Sec. <del>3.</del> *4*. K.S.A. 2021 Supp. 74-32,273 is hereby amended to read as 38 follows: 74-32,273. (a) Subject to subsection (b)In addition to the fields of

39 study provided in K.S.A. 2021 Supp. 74-32,272, and amendments thereto,

40 *an eligible postsecondary educational institution may designate <del>one of the</del>* 

41 *following additional fields an additional field* of study for awarding a

42 Kansas promise scholarship to meet local employment needs if:

43 (1) Promise eligible programs within such field of study are two-

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1 year associate degree programs or career and technical education

2 certificates or stand-alone programs approved by the state board of

3 regents that correspond to jobs that are high wage, high demand or 4 critical need in the community;

(2) the institution already offers such field of study; and

(3) such field of study is one of the following:

7 (H)(A) Agriculture;

8 (2)(B) food and natural resources;

9 (3)(C) education and training;

10 (4)(D) law, public safety, corrections and security; or

11 (5)(E) distribution and logistics.

12 (b) Except as otherwise provided, an eligible postsecondary-13 educational institution may designate one additional promise eligible-14 program field of study if the additional program is a programs within such 15 field of study are two-year associate degree program programs or a career 16 and technical education certificate certificates or stand-alone program 17 programs that corresponds correspond to a high wage, high demand or

18 eritical need occupation occupations and such programs are offered as-

- 19 part of an existing field of study that such institution currently has and-
- 20 *maintains*.

(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:

24 (1) Information technology and security;

25 (2) mental and physical healthcare;

26 (3) advanced manufacturing and building trades; or

27 (4) early childhood education and development.

28 (c) An eligible postsecondary educational institution that designates 29 an additional promise eligible-program field of study pursuant to this subsection (a) section shall maintain the promise eligible program field of 30 31 study designation of such program for at least three consecutive years. 32 After maintaining such program field of study for at least three years, the 33 institution may designate a new promise eligible program field of study that corresponds to a high wage, high demand or critical need occupation 34 35 to replace the existing designated promise eligible-program field of study. 36 Any newly designated program field of study shall be subject to the 37 requirements of this section.

(c) Programs designated by eligible institutions prior to the effective
 date of this act shall be maintained until all students currently enrolled in
 such programs have exhausted their promise scholarship eligibility.

41 Sec. 4. 5. K.S.A. 2021 Supp. 74-32,274 is hereby amended to read as 42 follows: 74-32,274. (a) (1) (*A*) Subject to appropriations, the amount of a 43 Kansas promise scholarship for a student for each-semester *academic year* 

5 6 1 shall be the aggregate amount of tuition, required fees and the cost of 2 books and required materials for the promise eligible program at the 3 eligible postsecondary educational institution for the academic year in 4 which the student is enrolled and receiving the scholarship minus the 5 aggregate amount of all other aid awarded to such student for such 5 semester. Aid includes any grant, scholarship or financial assistance-7 awards that do not require repayment academic year.

8 (2)(B) If a student is enrolled in a promise eligible program offered 9 by a four-year an eligible private postsecondary educational institution described in K.S.A. 2021 Supp. 74-32,271(b)(1)(C), and amendments 10 thereto, the aggregate amount of tuition, mandatory fees and the cost of 11 books and materials for such program shall be the average cost of tuition, 12 mandatory fees and the cost of books and materials for such promise 13 14 eligible program when offered by an eligible public postsecondary 15 educational institution that is not a four-year institution described in K.S.A. 2021 Supp. 74-32,271(b)(1)(A) or (B), and amendments thereto. 16

17 (2) As used in this subsection, "aid" includes any grant, scholarship 18 or financial assistance awards that do not require repayment. "Aid" does 19 not include financial educational benefits provided through the 20 servicemen's readjustment act of 1944 or any family postsecondary 21 savings account or other qualified tuition program established pursuant to 22 section 529 of the internal revenue code of 1986, as amended.

23 (b) Except as otherwise provided in this subsection, Kansas promise 24 scholarships shall only be awarded to an eligible student whose family 25 household income equals \$100,000 or less for a family of one or two, \$150,000 or less for a family of three and, for household sizes above three, 26 27 a household income that is equal to or less than the family of three amount 28 plus \$4,800 for each additional family member. If scholarship moneys-29 remain in the Kansas promise scholarship program fund during the award 30 year after awarding all other scholarships pursuant to this section, Kansas 31 promise scholarships may be awarded to eligible students whose family 32 household income exceeds such amounts-

(c) (1) Kansas promise scholarship awards shall be used only to pay for up to a total of 68 credit hours or a total of \$20,000 in Kansas promise scholarship awards, whichever occurs first, over the lifetime of the student who received the Kansas promise scholarship award regardless of the eligible postsecondary educational institution such student attended.

39 (2) Kansas promise scholarship awards shall not be used to fund:

40 (A) Prerequisite classes required for a promise eligible program 41 unless such classes are a designated course within the eligible program; 42 or

43 (B) any remedial course, as defined in K.S.A. 76-7,151, and

1 amendments thereto, unless such course is offered in a corequisite format.

2 *(d)* For fiscal years-2022 and 2023 *through 2027*, the appropriation 3 made for the Kansas promise scholarship program shall not exceed 4 \$10,000,000. For fiscal year 2024 and each fiscal year thereafter, the-5 appropriation shall not exceed 150% of the amount disbursed in promise 6 scholarships for the immediately preceding fiscal year.

7 (e) The state board of regents shall disburse funds based on 8 reimbursement requests from eligible postsecondary educational institutions. Reimbursement requests shall be based on the actual amount 9 of Kansas promise scholarship amounts awarded by an eligible 10 postsecondary educational institution for the appropriate academic 11 12 period. Any eligible postsecondary educational institution seeking reimbursement shall submit a reimbursement request to the state board of 13 regents on or before September 1, December 1, March 1 and June 1 of 14 each year. The state board of regents shall disburse the appropriate 15 16 amount of funds to eligible postsecondary educational institutions on 17 September 15, December 15, March 15 and June 15 each year.

18 Sec. <del>5.</del> **6.** K.S.A. 2021 Supp. 74-32,275 is hereby amended to read as 19 follows: 74-32,275. (a) To be eligible for a Kansas promise scholarship, a 20 student shall:

(1) Be a United States citizen;

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(2) be a Kansas resident;

 $\begin{array}{ll} 23 & (2)(3) \text{ (A)} & \text{have graduated from an accredited Kansas public or private} \\ 24 & \text{secondary school within the preceding 12 months;} \end{array}$ 

(B) have completed the requirements for graduation at a nonaccredited private secondary school as provided in K.S.A. 72-4345, and
amendments thereto, within the preceding 12 months;

(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;

(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 as evidenced by the date of issuance on a Kansas-issued
identification card or through Kansas voter registration records or Kansas
income tax documentation; or

(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; *or*

(F) have been in the custody of the secretary for children and families
at any time such student was enrolled in and attending any of the grades
nine through 12 and not eligible for assistance under the Kansas foster

1 child educational assistance act, K.S.A. 75-53,111 et seq., and 2 amendments thereto;

3 (3)(4) complete the required scholarship application on such forms 4 and in such manner as established by the state board of regents;

5 (4)(5) enter into a Kansas promise scholarship agreement pursuant to 6 K.S.A. 2021 Supp. 74-32,276, and amendments thereto;

7 (5)(6) complete the free application for federal student aid for the 8 academic year in which the student applies to receive a Kansas promise 9 scholarship. Such submitted application shall be determined to be valid 10 and free of error codes in order to calculate the amount of scholarship to 11 be awarded; and

12 (6)(7) enroll in an eligible postsecondary educational institution in a 13 promise eligible program.

14 (b) To continue to receive a Kansas promise scholarship, a student 15 shall:

(1) Maintain satisfactory academic progress-toward completion of *in the courses of* the promise eligible program *for which the student received a Kansas promise scholarship*; and

19 (2) satisfy the requirements of a Kansas promise scholarship 20 agreement as provided in K.S.A. 2021 Supp. 74-32,276, and amendments 21 thereto.

(c) 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.

25 Sec. 6. 7. K.S.A. 2021 Supp. 74-32,276 is hereby amended to read as follows: 74-32,276. (a) As a condition to receiving a Kansas promise 26 27 scholarship, an eligible student shall enter into a Kansas promise 28 scholarship agreement with the state board of regents. The eligible 29 postsecondary educational institution making the scholarship award to 30 such student shall counsel each eligible student on the requirements and 31 conditions of the promise scholarship agreement. Such agreement shall 32 require-such any 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 <u>30 48</u> 36 months of the date the
scholarship was first awarded;

38 (2) within six months after graduation from the promise eligible39 program:

40 (A) Reside in and commence work in the state of Kansas for at least
41 two consecutive years following completion of such program. A
42 scholarship recipient may use a W-2 wage and tax statement showing
43 Kansas withholding or estimated income tax to the state of Kansas as

1 proof of work in Kansas; or

2 (B) enroll as a full-time or part-time student in any public or private 3 postsecondary educational institution with its primary location in Kansas 4 and upon graduation or failure to re-enroll, reside in and commence work 5 in Kansas for at least two consecutive years following the completion of 6 such program;

7 (3) maintain records and make reports to the state board of regents on
8 such forms and in such manner as required by the state board of regents to
9 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) to the state board of regents.

14 (b) (1) Except as provided in subsection (c), if any student who 15 receives a Kansas promise scholarship fails to satisfy the requirements of a 16 Kansas promise scholarship agreement, such student shall pay an amount 17 equal to the total amount of money received by such student pursuant to 18 such agreement that is financed by the state of Kansas plus accrued 19 interest at a rate equivalent to the interest rate applicable to loans made 20 under the federal PLUS program at the time such-person first entered into 21 an agreement student's first course funded by a Kansas promise 22 scholarship award began. Interest shall begin accruing on the date the 23 student is determined to be out of compliance with the Kansas promise 24 scholarship agreement. Monthly installment payments of such amounts 25 may be made in accordance with rules and regulations of the state board of 26 regents. Such installment payments shall begin six months after the date of 27 the action or circumstances that cause such student to fail to satisfy the 28 requirements of a Kansas promise scholarship agreement, as determined 29 by the state board of regents upon the circumstances of each individual 30 case. All moneys received pursuant to this subsection shall be remitted to 31 the state treasurer in accordance with the provisions of K.S.A. 75-4215, 32 and amendments thereto. Upon receipt of each such remittance, the state 33 treasurer shall deposit the entire amount in the state treasury to the credit 34 of the Kansas promise scholarship program fund.

(2) For any Kansas promise scholarship awarded on or after July 1,
2021, the state board of regents shall be the sole entity responsible for
collecting or recouping any Kansas promise scholarship funds required to
be repaid by a student who fails to satisfy the requirements of a Kansas
promise scholarship agreement pursuant to this section.

40 *(3)* The state board of regents is authorized to turn any repayment 41 account arising under this act to a designated loan servicer or collection 42 agency *to collect on the state board's behalf*, the state not being involved 43 other than to receive payments from the loan servicer or collection agency SB 340—Fur. Am. by SC

1 at the interest rate prescribed under this subsection.

2 (4) Eligible postsecondary educational institutions and each state 3 agency are authorized to provide academic, employment, residency and 4 contact information regarding students who received a Kansas promise 5 scholarship to the state board of regents for the purposes of determining:

6 (A) **Determining** whether or not a student satisfied the requirements 7 of this act and the Kansas promise scholarship agreement; and

8 (B) aiding in the collection or recoupment of any funds required to be 9 repaid pursuant to this section.

(5) Eligible postsecondary educational institutions shall:

(A) Provide annually to the state board of regents the last known
contact information of each student who received a Kansas promise
scholarship until the requirements of the program and scholarship
agreement are complete; and

15 (B) notify the state board of regents when a student who received a 16 Kansas promise scholarship:

(i) Completes the program of study for which the student received thescholarship or has exhausted scholarship benefits; and

(ii) exceeds the 48-month 36-month program completion requirement
 provided in this section. This requirement shall apply to any Kansas
 promise scholarship awarded on or after July 1, 2021.

(6) For any Kansas promise scholarship awarded on or after July 1,
2021, eligible postsecondary educational institutions shall not be
considered a contractor of the state nor shall such institutions be required
to participate in tracking, collecting or recouping any funds required to be
repaid by a student who fails to satisfy the requirements of a Kansas
promise scholarship agreement pursuant to this section.

(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.

31 (d) A scholarship recipient satisfies the requirements of the Kansas32 promise scholarship program if such recipient:

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(1) Completes the requirements of the scholarship agreement;

34 (2) commences service as a military servicemember after receiving a35 Kansas promise scholarship;

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

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

40 (5) is unable to satisfy the requirements due to disability or death of 41 the *scholarship* recipient.

42 (e) The provisions of this section shall be construed and applied 43 retroactively to the enactment of the Kansas promise scholarship program

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- 1 *on July 1, 2021*.
- Sec. -7: 8. K.S.A. 2021 Supp. 74-32,271, 74-32,272, 74-32,273, 74-32,274, 74-32,275 and 74-32,276 are hereby repealed.
- 4 Sec. <del>8.</del> 9. This act shall take effect and be in force from and after its 5 publication in the Kansas register.