Is/Are the proposed rule(s) and regulation(s) mandated by the federal government as a requirement for participating in or implementing a federally subsidized or assisted program?

☐ Yes If yes, continue to fill out the remaining form to be included with the regulation packet submitted in the review process to the Department of Administration and the Attorney General. Budget approval is not required; however, the Division of the Budget will require submission of a copy of the EIS at the end of the review process.

☒ No If no, do the total annual implementation and compliance costs for the proposed rule(s) and regulation(s), calculated from the effective date of the rule(s) and regulation(s), exceed $1.0 million over any two-year period through June 30, 2024, or exceed $3.0 million over any two-year period on or after July 1, 2024 (as calculated in Section III, F)?

☐ Yes If yes, continue to fill out the remaining form to be included with the regulation packet submitted in the review process to the Department of Administration, the Attorney General, AND the Division of the Budget. The regulation(s) and the EIS will require Budget approval.

☒ No If no, continue to fill out the remaining form to be included with the regulation packet submitted in the review process to the Department of Administration and the Attorney General. Budget approval is not required; however, the Division of the Budget will require submission of a copy of the EIS at the end of the review process.
Section I

Brief description of the proposed rule(s) and regulation(s).

The 2021 Legislature established a new service scholarship program for students enrolled in eligible programs at any Kansas community college, technical college, the Washburn Institute of Technology, or certain private postsecondary institutions, 35 institutions in all. The legislation requires, with certain exceptions, that each student receiving these scholarship dollars agree to reside and work in Kansas for two years following completion of their Promise Act eligible program. $10,000,000 was appropriated to the Board to fund this scholarship in each of Fiscal Years 2022 and 2023. The legislation anticipates another $10,000,000 to fund future Fiscal Years of the scholarship at that $10,000,000 amount.

These regulations: 1) provide definitions of key terms not defined by the statute; 2) set forth the process to apply for a Promise scholarship and appeal a denial or revocation of a Promise scholarship; 3) set forth the terms to be included in a Promise scholarship agreement and the requirements for successful completion of, postponement of, or release from the service obligation; and 4) establish the process for repayment of any Promise scholarship when the service requirement is not met or forgiven.

Section II

Statement by the agency if the rule(s) and regulation(s) exceed the requirements of applicable federal law, and a statement if the approach chosen to address the policy issue(s) is different from that utilized by agencies of contiguous states or the federal government. (If the approach is different or exceeds federal law, then include a statement of why the proposed Kansas rule and regulation is different.)

These regulations do not exceed the requirements of any applicable federal law. Other states offer similar scholarships, with varying requirements and limitations, and none of which seem to include service obligations. For example, Oklahoma offers a Promise Scholarship based on a family income threshold of $60,000. Students apply while in 8th through 11th grade and must meet academic and conduct requirements while in high school. There are no other eligibility requirements. Each state’s law contains different requirements related to who is eligible and the nature of the benefits. To administer this scholarship in accordance with the Kansas statute, we looked to other Kansas laws and applicable federal law, particularly service scholarship statutes, the Truth in Lending Act, and the Fair Debt Collections Practices Act, in an attempt to maintain consistency with those other Kansas scholarship programs and compliance with applicable federal law.

Section III

Agency analysis specifically addressing the following:
A. The extent to which the rule(s) and regulation(s) will enhance or restrict business activities and growth;

Among the Board of Regents’ strategic goals is to attract, retain and graduate qualified students to meet the needs of business and industry in this State or that may be looking to locate in this State. To the extent the Promise Scholarship Act and corresponding regulations result in more students seeking skills and training that are needed in the Kansas workforce, and those students remain in Kansas after graduation, the law/regulations will enhance business activities and growth. The statutes/regulations place no requirements or restrictions on any entity other than the public institutions of higher education in Kansas and the students accepting the terms of the required service scholarship agreement.

B. The economic effect, including a detailed quantification of implementation and compliance costs, on the specific businesses, sectors, public utility ratepayers, individuals, and local governments that would be affected by the proposed rule(s) and regulation(s) and on the state economy as a whole;

There is no anticipated economic impact on specific businesses, sectors, public utility ratepayers, or local governments as this Act/regulations do not affect those entities directly. The students who qualify for a scholarship under this program and who successfully complete an eligible educational program and their two-year service requirement will greatly benefit from it financially as it will pay for tuition, required fees, books and required materials for the Promise eligible program selected by the student. Students who are unable to meet or be excused from the service obligation attached to the scholarship will be responsible for repayment of the scholarship plus interest at the federal PLUS program rate (currently 7.54%). The qualified public higher education institutions at which these individuals choose to enroll will award the scholarships and be reimbursed by funds appropriated by the Legislature for this purpose. Individuals affected by the regulations will benefit financially from receiving a scholarship, the value of which will vary according to the student’s individual calculated financial need and cost of the program. Kansas businesses will benefit to the extent additional trained individuals remain in Kansas communities to work after completion of their programs. The regulations, in and of themselves, will have no direct effect, as the regulations simply stipulate how the Board of Regents and the participating institutions shall implement the Kansas Promise Scholarship Act.

There will be no direct economic impact on other public agencies or private businesses as a result of these regulations. The regulations will neither enhance nor restrict business activities and growth other than as discussed previously in this section.

C. Businesses that would be directly affected by the proposed rule(s) and regulation(s);

Only eligible prospective students and the participating higher education institutions will be directly affected by these proposed rules and regulations. Students who are unable to meet or be excused from the service obligation attached to the receipt of the scholarship will be responsible for repayment of the scholarship plus interest at the federal PLUS program rate. Any repayments received by the Board will be returned to the scholarship fund and used to fund future scholarships.
D. Benefits of the proposed rule(s) and regulation(s) compared to the costs;

There are no direct costs associated with these rules and regulations. The initial estimate of cost was determined by the Legislature to be $10,000,000 annually in the first two fiscal years (the amount set forth in the statute and appropriated to the Board for distribution to the institutions), but the agency will have more refined data after a year or two of enrollments utilizing this scholarship program for what the actual cost will be. One of the anticipated benefits to the state would be an increase in the educated workforce and of course the benefit to the students who are eligible for and successfully complete these scholarship eligible programs and the ensuing service obligation in employment options with potentially higher lifetime income.

E. Measures taken by the agency to minimize the cost and impact of the proposed rule(s) and regulation(s) on business and economic development within the State of Kansas, local government, and individuals;

The Board absorbed the implementation costs associated with this program in the first year. Included in the Board’s budget was a request for $125,000 to hire a staff person to administer the Promise Scholarship Act and the additional responsibilities that were assigned to the agency. The Board was appropriated the additional $125,000 and will look to hire a staff person to assist the Student Financial Aid unit with the responsibilities the Act establishes.

F. An estimate of the total annual implementation and compliance costs that are reasonably expected to be incurred by or passed along to businesses, local governments, or members of the public.  

*Note: Do not account for any actual or estimated cost savings that may be realized.*

Costs to Affected Businesses – $0
Costs to Local Governmental Units – $0
Costs to Members of the Public – $0

**Total Annual Costs – $0**
(sum of above amounts)

Give a detailed statement of the data and methodology used in estimating the above cost estimate.

No additional implementation or compliance costs are reasonably expected to be incurred by, or passed along to, others as a result of enacting these regulations. Whatever requirements are in place for administering these scholarships, the institutions and Board Office will administer and comply with them and will seek appropriate funding from the Legislature. The Board Office simply relates the information above and has no reason to believe there will be any degree of additional compliance costs to administer this scholarship.

☐ Yes  ☐ No  ☒ Not Applicable

If the total implementation and compliance costs exceed $1.0 million over any two-year period through June 30, 2024, or exceed $3.0 million over any two-year period on or after July 1, 2024, and prior to the submission or resubmission of the proposed rule(s) and regulation(s), did the agency hold a public hearing to find that the estimated costs have been accurately determined and are necessary for achieving legislative intent? If
If applicable, document when the public hearing was held, those in attendance, and any pertinent information from the hearing.

If applicable, click here to enter public hearing information.

Provide an estimate to any changes in aggregate state revenues and expenditures for the implementation of the proposed rule(s) and regulation(s), for both the current fiscal year and next fiscal year.

There are no direct costs associated with these rules and regulations. The initial estimate of cost was determined by the Legislature to be $10,000,000 annually in the first two fiscal years (the amount set forth in the statute and appropriated to the Board for distribution to the institutions), but the agency will have more refined data after a year or two of enrollments utilizing this scholarship program for what the actual cost will be. One of the anticipated benefits to the state would be an increase in the educated workforce and of course the benefit to the students who are eligible for and successfully complete these scholarship eligible programs and the ensuing service obligation in employment options with potentially higher lifetime income.

Provide an estimate of any immediate or long-range economic impact of the proposed rule(s) and regulation(s) on any individual(s), small employers, and the general public. If no dollar estimate can be given for any individual(s), small employers, and the general public, give specific reasons why no estimate is possible.

There is no anticipated economic impact on any small employers or the general public as this Act/regulations do not affect those entities directly. The students who qualify for a scholarship under this program and who successfully complete an eligible educational program and their two-year service requirement will greatly benefit from it financially as it will pay for tuition, required fees, books and required materials for the Promise eligible program selected by the student. Students who are unable to meet or be excused from the service obligation attached to the receipt of the scholarship will be responsible for repayment of the scholarship plus interest at the federal PLUS program rate (currently 7.54%). The public higher education institutions at which these individuals choose to enroll will award the scholarships and be reimbursed by funds appropriated by the Legislature for this purpose. Individuals affected by the regulations will benefit financially from receiving a scholarship, the value of which will vary according to the student’s individual calculated financial need and cost of the program. Kansas businesses will benefit to the extent additional trained individuals remain in Kansas communities to work after completion of their programs. The regulations, in and of themselves, will have no direct effect, as the regulations simply stipulate how the Board of Regents and the participating institutions shall implement the Kansas Promise Scholarship Act.

There will be no direct economic impact on private businesses as a result of these regulations. The regulations will neither enhance nor restrict business activities and growth other than as discussed previously in this section.

G. If the proposed rule(s) and regulation(s) increases or decreases revenues of cities, counties or school districts, or imposes functions or responsibilities on cities, counties or school districts that will
increase expenditures or fiscal liability, describe how the state agency consulted with the League of Kansas Municipalities, Kansas Association of Counties, and/or the Kansas Association of School Boards.

The regulations are not anticipated to affect cities, counties, or school districts.

H. Describe how the agency consulted and solicited information from businesses, associations, local governments, state agencies, or institutions and members of the public that may be affected by the proposed rule(s) and regulation(s).

The provisions in this set of regulations directly impact only the prospective applicants for the scholarship and the participating higher education institutions. The Board has sought input from representatives of the Kansas Association of Community College Trustees, the Kansas Technical College Association, the Kansas Independent College Association and Foundation, Washburn University, Johnson County Community College, and individual legislators to determine what the regulations should include. The feedback received has been incorporated into the regulations and/or this statement. As noted previously, these regulations are anticipated to have no effect on businesses, cities, counties, or other state agencies.

Section IV

Does the Economic Impact Statement involve any environmental rule(s) and regulation(s)?

☐ Yes  If yes, complete the remainder of Section IV.
☒ No  If no, skip the remainder of Section IV.

A. Describe the capital and annual costs of compliance with the proposed rule(s) and regulation(s), and the persons who would bear the costs.

Click here to enter agency response.

B. Describe the initial and annual costs of implementing and enforcing the proposed rule(s) and regulation(s), including the estimated amount of paperwork, and the state agencies, other governmental agencies, or other persons who would bear the costs.

Click here to enter agency response.

C. Describe the costs that would likely accrue if the proposed rule(s) and regulation(s) are not adopted, as well as the persons who would bear the costs and would be affected by the failure to adopt the rule(s) and regulation(s).

Click here to enter agency response.

D. Provide a detailed statement of the data and methodology used in estimating the costs used.

Click here to enter agency response.
Kansas Administrative Regulations
Economic Impact Statement
Public Hearing Certification
(To be completed after the public hearing)

Agency: [Click here to start typing]  
Agency Contact: [Click here to start typing]  
Phone Number or Email: [Click here to start typing]  
K.A.R. Number(s): [Click here to start typing]  
Public Hearing Date: [Select date]  
Public Hearing Time: [Click here to start typing]  
Public Hearing Location: [Click here to start typing]  
Public Hearing Attendance: [Click here to start typing]