SB 123 creates the Kansas Adult Learner Grant Act (Adult Learner Act) and a workforce retention incentive tax credit (tax credit); establishes the Career and Technical Education Credential and Transition Incentive for Employment Success Act; addresses the residency status of veterans, their spouses, and dependents regarding postsecondary tuition and fees; and amends the Kansas Promise Scholarship Act (Promise Act).

The bill takes effect upon publication in the Kansas Register.

**Kansas Adult Learner Grant Act**

**Definitions**

The bill defines the following terms for purposes of the Adult Learner Act:

- “Adult learner grant eligible program” is any baccalaureate degree offered by an eligible postsecondary education institution that is identified as an “adult learner grant eligible program” by the State Board of Regents (KBOR) or designated as an “adult learner grant eligible program” by an eligible postsecondary educational institution.

- “Eligible postsecondary educational institution” is one of the following:
  - A state educational institution under the control and supervision of the KBOR;
  - A municipal university;
  - Any not-for-profit institution of postsecondary education with its main campus or principal place of operation in Kansas that offers an eligible grant 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; or
  - A not-for-profit independent institution of higher education that is accredited by an institutional accrediting agency recognized by the U.S. Department of Education, is operated independently and not controlled or administered by the State or any agency or subdivision of the state, maintains open enrollment, offers online education, and offers exclusively competency-based education programs; and

- “Part-time student” as a student who is enrolled for six credit hours or more in a semester, or the equivalent, and is not enrolled as a full-time student.
**Administration**

**Rules and regulations.** The bill requires KBOR to adopt rules and regulations implementing the program on or before March 1, 2024. The bill requires the rules and regulations to establish:

- Grant application and renewal forms and deadlines;
- Appeal procedures for denial or revocation of a Kansas Adult Learner Grant (grant);
- The terms, conditions, and requirements for the grant consistent with the provisions of the Adult Learner Act; and
- Procedures for requesting and approving medical, military, and personal absences from an eligible postsecondary educational institution while a grant recipient is receiving such grant.

**Grant-eligible programs.** The bill requires KBOR to identify adult learner grant-eligible programs (grant-eligible programs) offered by each eligible postsecondary educational institution that are in any of the following fields of study:

- Information technology and security;
- Health care and nursing;
- Science, engineering, aerospace, and advanced manufacturing;
- Education, early childhood education, and development;
- Business, accounting, and data analytics; or
- A field designated by the eligible postsecondary institution pursuant to the Adult Learner Act.

The bill allows an eligible postsecondary educational institution to designate one additional grant-eligible program if the additional program is a baccalaureate degree program that corresponds to a high wage, high demand, or critical need occupation. To designate an additional grant-eligible program, the institution must have and maintain an existing grant-eligible program in the above fields of study and maintain the additional grant-eligible program designation for at least four consecutive years. After maintaining the program for at least four years, the institution is authorized to designate a new grant-eligible program that corresponds with a high wage, high demand, or critical need occupation.

**Publicity.** The bill requires KBOR to work with community partners to publicize grants, including, but not limited to, publicizing eligible postsecondary educational institutions, approved scholarship-eligible educational programs, application procedures, and application deadlines.
Annual evaluation and report. Beginning January 1, 2025, KBOR is required to annually evaluate the program and prepare and submit a report to the Senate Committee on Education, Senate Committee on Commerce, House Committee on Education, and House Committee on Commerce, Labor and Economic Development.

Grant Specifications

Grant amount. The bill requires grant amounts to be $3,000 per semester for students who are enrolled full-time. The grant amount will be prorated using a sliding scale for students who are not enrolled full-time. The bill specifies full-time enrollment is 12 credit hours per semester and would qualify for a 100 percent grant, and 6 credit hours would qualify for a 50 percent grant.

Grant expenditure. The bill allows for grants to be expended only for purposes of tuition and required fees, books, and materials.

Duration. The bill allows students to receive a grant for up to 48 months after the date that the grant was first awarded or upon graduation from the program, whichever comes first.

Income limitation. The bill limits grants to eligible students whose family household income is 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.

Kansas Adult Learner Grant Agreements

The bill requires each eligible student who receives a grant to enter into an agreement with the postsecondary educational institution that requires the student to do the following:

- Enroll as a full- or part-time student at the eligible postsecondary institution;
- Do one of the following within six months of graduation from a grant-eligible program:
  - Reside and commence work in the state of Kansas for a minimum of two consecutive years; or
  - Enroll as a full- or part-time student in any public or private postsecondary educational institution whose primary location is in Kansas and upon graduation, reside and work in the state for a minimum of two years;
- Maintain records and make reports to KBOR as required by KBOR; and
- Repay the amount of the grant received by the student should the student fail to satisfy the requirements of the agreement.
The bill requires all eligible postsecondary educational institutions to provide counseling to each eligible student regarding the requirements and conditions of the agreement. All repayments made by students for failure to satisfy the requirements of an agreement must be for the amount of the grant with interest as determined by the federal PLUS program.

The bill recognizes KBOR as the sole entity responsible for the collection of all repayments of grant funds and authorizes KBOR to utilize designated loan servicers and collection agencies to collect on KBOR’s behalf. To aid with the collection of repayments, the bill stipulates that all postsecondary educational institutions and state agencies must provide KBOR with a student’s academic, employment, residency, and contact information for the following purposes:

- Determining whether a student has satisfied their agreement; and
- Aiding in the collection of repayments of funds under the bill.

All eligible postsecondary educational institutions are required by the bill to annually provide the last known contact information for each student who had received a grant until the requirements of the agreement are met.

**Appropriations Made for Adult Learner Grant Eligible Program**

The bill limits the appropriations made for the Adult Learner Grant Eligible program per fiscal year to $1.0 million.

**Student Eligibility**

To be eligible for a grant, the bill requires a student to:

- Be a Kansas resident;
- Be 25 years of age or older at the time the student’s first course that is funded by a grant begins;
- Complete the free application for federal student aid for the academic year in which the student applies to receive a grant; and
- Enroll as a full- or part-time student at an eligible postsecondary educational institution in an adult learner grant-eligible program.

A student will continue to receive a grant if the student maintains satisfactory academic progress toward completion of the grant-eligible program, maintains a minimum of a 2.0 cumulative grade point average, completes a grant renewal application on such forms in such manner as established by the KBOR, and completes the free application for federal student aid for the academic year for which the student applies to renew the grant.
Kansas Workforce Retention Incentive Tax Credit

The bill establishes a tax credit of $1,500 for individuals who receive a grant if they demonstrate satisfactorily to the Secretary of Revenue (Secretary) that they successfully completed their grant-eligible program with the awarding of their degree and either:

- Currently reside in Kansas and have resided in Kansas for at least two consecutive years following the completion of their program and are currently employed in Kansas; or
- Have commenced service as a military service member.

To claim the tax credit, the bill requires an individual to submit information and documentation to the Secretary in a form and manner required by the Secretary.

The bill requires individuals to claim the tax credit no later than the fifth taxable year after the taxable year in which the individual successfully completed the grant-eligible program with an award of their degree.

Any amount of the tax credit that exceeds the individual’s tax liability can be carried forward once to the next succeeding taxable year as a credit against the individual’s income tax liability for such year. Any amount of the tax credit remaining after being carried forward once will be forfeited.

The bill requires the Secretary to adopt rules and regulations implementing and administering the tax credit on or before March 1, 2024. The bill requires the rules and regulations to include criteria to determine whether a student who has received a grant has fulfilled the residency and employment requirements to qualify for the tax credit.

Kansas Adult Learner Grant Program Fund

The bill creates the Kansas Adult Learner Grant Program Fund (Fund) to be administered by KBOR. All expenditures from the Fund will be for grants awarded pursuant to the program and in accordance with appropriation acts.

Sunset

The bill establishes a sunset of July 1, 2028, for the Adult Learner Act.

Career and Technical Education Credential and Transition Incentive for Employment Success Act

The bill establishes the Career and Technical Education Credential and Transition Incentive for Employment Success Act.

The bill requires all school districts and colleges that offer career technical education (CTE) for students in grades 9–12 to, upon request of the student, pay any fees associated with
The bill defines the term “industry-sought credential” as a CTE credential that meets the following criteria:

- Repeatedly referenced in job postings; and
- Frequently referred to by employers in communications with a school district as a CTE credential in demand.

The bill requires the State Board of Education (State Board) and KBOR, on or before July 1, 2023, and on an annual basis thereafter, to jointly approve a list of industry-sought credentials. The Board and KBOR are required to consult with the following individuals when determining the list of credentials:

- Secretary of Labor;
- Secretary of Commerce; and
- Representatives of industries that recognize CTE credentials.

The bill further requires the State Board and KBOR to conduct an annual survey commencing on or before July 1, 2023, of all CTE credentials offered by school districts and colleges which meet the definition of “industry-sought credential."

**Veteran Residency Requirements for Postsecondary Tuition**

In law, regarding residency in Kansas for purposes of tuition and fees at a postsecondary educational institution, the bill replaces the requirement that a veteran must have been permanently stationed in Kansas with a requirement that a veteran must have been stationed in Kansas for at least 11 months during service in the armed forces. The person seeking to be deemed a resident for the purpose of tuition are still required to live in Kansas at the time of enrollment.

[Note: Current law provides that for a veteran, or the spouse or dependent of a veteran, to be deemed a resident of Kansas for tuition purposes, a veteran must either have been permanently stationed in Kansas during service in the armed forces or have established residency in Kansas prior to service in the armed forces.]

In addition, the bill removes outdated language.
Kansas Promise Scholarship Act

Eligible Fields of Study, Promise-eligible Programs

The bill adds both elementary and secondary education programs to the fields of study designated by an eligible postsecondary educational institution for which scholarships are available under the Kansas Promise Scholarship Act (Promise Act). The continuing fields of study are:

- Information technology and security;
- Mental and physical health care;
- Advanced manufacturing and building trades; or
- Early childhood education.

Designation of Additional Fields of Study, Local Employment Needs

The bill also updates the eligible fields of study that a college could choose to add to the other scholarship-eligible fields of study (e.g., agriculture, education, and training). The bill adds the term "transportation" to the field of study currently listed as "distribution and logistics."

Scholarship Award Amount Determination

The bill clarifies that, for students enrolled in a Promise Act-eligible program at a private college, the scholarship amount would be:

The aggregate amount of tuition, mandatory fees, and the cost of books and materials for the academic year in which the student is enrolled and receiving the scholarship minus the aggregate amount of all other aid awarded to the student.

[Note: The bill maintains the requirement that the Kansas Promise Scholarship award could not exceed the average cost of tuition, required fees, and the cost of books and required materials for the same program at an eligible public college.]

Eligibility Requirements

The bill amends the eligibility requirements for an individual seeking to continue their receipt of a Kansas Promise Scholarship by requiring the individual maintain a minimum of a 2.0 grade point average in the Promise Act-eligible program.

Sunset

The bill establishes a sunset of July 1, 2028, for the Promise Act.