

SESSION OF 2024

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2645

As Amended by House Committee on Education

Brief*

HB 2645, as amended, would change provisions of law regarding the Nursing Service Scholarship Program (Program).

The bill would be in effect upon publication in the *Kansas Register*.

Nursing Service Scholarship Limit and Allocation

The bill would remove the limit on the number of nursing service scholarships that may be awarded each year. The bill would also remove provisions requiring a certain number of the scholarships to be awarded to nursing students whose sponsors are located in rural areas, who are enrolled in a course of instruction leading to licensure as a registered professional nurse, and who are enrolled in a course of instruction leading to licensure as a licensed practical nurse.

Priority for scholarships would be changed to qualified applicants with the greatest financial need. [*Note:* Currently, priority is given to qualified applicants whose sponsor is a mental health or treatment facility.]

Sponsorship

The bill would make the following amendments to the provisions of the Program pertaining to sponsors:

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

- Amend the definition of the term “sponsor” to mean any of the following that is located in a rural opportunity zone (ROZ), as defined by continuing law:
 - An adult care home licensed under the Adult Care Licensure Act;
 - A licensed medical facility;
 - A licensed home health agency;
 - A local health department;
 - A mental health or treatment facility; or
 - A state agency that employs licensed practical nurses or licensed professional nurses;
- Make sponsorship by a sponsor optional for an individual’s eligibility for the scholarship;
- Amend the amount of the scholarship a recipient, who has a sponsor, could receive to 125.0 percent of the amount established annually by the Kansas Board of Regents (KBOR); and
- Require a scholarship recipient who has a sponsorship agreement to engage in the practice of nursing in the employment of such sponsor for the length of time the recipient received scholarship assistance or until fulfilled as otherwise required by law.

[*Note:* The current maximum scholarship amounts for the Program are \$3,500 per school year for recipients enrolled full-time in a licensed practical nurse program and \$4,500 per school year for recipients enrolled full-time in a registered nurse program.]

Terms of the Scholarship Agreements with KBOR

The bill would make changes to the scholarship agreement entered into by KBOR and the scholarship recipient by requiring the scholarship recipient to:

- Within six months of completing the required course of instruction, attain licensure with the Board of Nursing as a licensed professional nurse or licensed practical nurse;
- Complete the Free Application for Federal Student Aid (FAFSA) for each academic year in which scholarships funds are awarded under the agreement; and
- Within six months of attaining licensure, engage in the full-time or part-time practice of nursing in Kansas for the following durations:
 - For full-time practice, the total amount of time required under the agreement, which must be for a period of not less than the length of time the recipient received scholarship assistance; or
 - For part-time practice, the total amount of time required under the agreement, which must be for a period of time that is equal to full-time, as determined by KBOR, multiplied by the length of the time the recipient received scholarship assistance.

[*Note:* For a scholarship recipient who has a sponsor, such recipient would be required to engage in the practice of nursing in the employment of the sponsor in accordance with the sponsorship agreement for the length of time the recipients received scholarship assistance or until fulfilled as otherwise required by law.]

Failure to satisfy the service requirement of the scholarship agreement with KBOR would result in a scholarship recipient having to pay KBOR an amount equal to the scholarship amount received plus interest. The bill would change the interest rate to 5.0 percent per annum, and the interest would begin accruing on the date the obligation to repay commenced.

Nursing Service Scholarship Review Committee

The bill would abolish the Nursing Service Scholarship Committee (Committee). The bill would also remove the definition of the term "Committee."

Rules and Regulations

The bill would no longer require KBOR to consult with the Committee before adopting rules and regulations as necessary to administer the Program.

Technical Amendments

The bill would also make technical amendments.

Background

The bill was introduced by the House Committee on Education at the request of a representative of KBOR.

House Committee on Education

In the House Committee hearing, **proponent** testimony was provided by a representative of KBOR, stating the bill would increase interest in the Program, help address the nursing workforce shortage in Kansas, and make administration of the Program more efficient.

Written-only proponent testimony was provided by representatives of the Kansas Hospital Association and Kansas Independent Colleges Association.

No other testimony was provided.

The House Committee amended the bill to:

- Restore the definition of “mental health or treatment facility”;
- Restore and amend the definition of “sponsor” to add that a sponsor must be located in a ROZ;
- Restore various provisions pertaining to sponsors and sponsorship agreements;
- Make having a sponsor optional; and
- Provide that the scholarship amount for a nursing student who has a sponsor must not exceed the amount of each scholarship established annually multiplied by 125.0 percent.

Fiscal Information

According to the fiscal note prepared by the Division of the Budget on the bill, as introduced, KBOR indicates enactment of the bill would eliminate the sponsorship requirement, which would reduce revenues the KBOR receives from sponsors; however, KBOR also indicates with the reduction in revenue, there would also be a corresponding reduction to expenditures. KBOR also states the scholarship requirements have limited its ability to use the full State General Fund (SGF) appropriation each year. With the removal of the sponsorship requirement and the limit of scholarships that can be awarded, KBOR estimates it would be able to fully award the entire SGF appropriation. Any fiscal effect associated with the bill is not reflected in *The FY 2025 Governor's Budget Report*.

Education; Nursing Service Scholarship Program; nursing; postsecondary education; scholarship, Kansas Board of Regents