



To: House Commerce Committee

From: Jim Genandt, President KTC

Date: January 30, 2020

Re: HB 2515 – Kansas Promise Scholarship Act

Chairman Tarwater and members of the committee: Thank you for taking the time to allow me to present comments in support of the Kansas Promise Scholarship Act on behalf of the Kansas Association of Technical Colleges (KTC). KTC is a seven-college consortium promoting career and technical education in Kansas. We provide high-demand, high-skilled technical education to our students to meet the needs of Kansas business and industry. Our focus is workforce development, demonstration of skills and competencies to meet industry-recognized credentials, and helping our students become productive citizens and employees in our communities and in the state; they become consumers, taxpayers, and reinforce the direct, rapid return on investment of our resources to the state's economy.

On behalf of the members of KTC we offer our support for House Bill 2515. You have focused in on the on the sector of post-secondary education where the demand is continuing to rise and return on investment to Kansas is dramatic.

❖ Kansas Return on Investment

- The return on investment for Kansas, applying the results of a study done by Goss and Associates, indicates the economic impact of our members as a multiple of 10.76. For Kansas, our member colleges produce the highest student graduation rates in Kansas and our **job placement rates are over 90%**. More Kansans are recognizing this as we are also the fastest growing sector in the state and over **90% of our students stay in Kansas** after completing their education.
- An article from Inside Higher Education on August 22, 2019, shows that the educational attainment condition with the **highest percentage of employability and marketability** was the associate of applied science at 75.4%, with technical certificates right behind at 75.1%. Bachelor's degrees came in at 65%, as did associate of arts and sciences.
- Data from the 2017 KTIP report shows that the 7 Kansas technical colleges were responsible for almost 20% of the enrollment of students in technical education while receiving less than 3% of the \$714 million was provided by the state to public higher education in Kansas for FY 18.

❖ Demand Continues to Increase for Technical Workforce Education

- In the October 10, 2019 the Brookings Institute published *Talent-Driven Economic Development: A new vision and agenda for regional and state economies*. Brookings message for economic development leaders is that workforce drives business site selection decisions when “95% of executives rate the availability of skilled labor as “very important” or “important” in their site selection factors” and that **“the return on investment from customized job training incentives, as measured by job creation, is about ten times that of traditional tax incentives.”**
- Kansas Technical Colleges drove enrollment increases in the Kansas higher education system in the fall 2019 semester, with an increase of 2.86% in full-time equivalency enrollment (with a 5-year increase of 24.98% in FTE), and 5.67% in headcount enrollment growth (with a 5-year increase of 42.47% in headcount)-KBOR data. Washburn Institute of Technology (4.91%), Wichita State University Campus of Applied Sciences and Technology (4.4%), and Manhattan Area Technical College (3.61%) led the state in FTE growth. Manhattan Area Technical College (16.3%), North Central Kansas Technical College (7.93%), and Wichita State University Campus of Applied Sciences and Technology (7.05%) led the state with headcount enrollment increases.
- A 2019 Lumina report on Unlocking the Nation’s Potential noted the following:
  - 11.5 million net new jobs for persons with some postsecondary education,
  - 6.2 million of those jobs are unfilled,
  - 65% of Generation Z jobs don’t even exist yet.

❖ Kansas Technical Colleges are some of the most highly ranked in the nation.

- 150 two-year colleges identified by the Aspen Institute were recognized for excellence by the Institute, 9 from Kansas, 5 of the 9 were technical colleges: MATC, NCKT, FHTC, NWKTC, and SATC.
- Salina Tech has been recognized as a top 25 community/technical college by SmartAssets.com. One of only two Kansas colleges making the cut, SATC place 19th in the Nation based on important factors such as affordability, graduation rate, and job placement.
- WalletHub released their 2019 ranking of two-year colleges. Over 700 institutions were evaluated on cost, student outcomes and career outcomes. Not all two-year institutions are evaluated by the financial services company. In this year’s ranking, MATC is again #1 among the 18 Kansas two-year colleges who were ranked, Pratt #2 (Pratt and MATC have traded off the #1 and #2 state positions for five years). MATC was 56<sup>th</sup> nationally, and Pratt was 64<sup>th</sup>. 16 other Kansas two-year colleges were ranked nationally between # 292 and #632
- Five Kansas Two-year Colleges made the Chronicle of Higher Ed's Top 25 list for 2-Year Colleges with the Best 3-year Grad Rates, and all five were Kansas Technical Colleges. (No other state had five institutions in the nation’s top 25!) Graduation data from 876 two-year colleges were analyzed for the rankings:

- Salina #2
  - NCK Tech #4
  - Northwest Tech # 9
  - FHTC #12
  - MATC #25
- A Georgetown University report on the return on investment of higher education analyzed data on 4,500 colleges and universities in the United States. In Kansas, technical colleges net present value through 40 years of employment in the state provided equal value as was gained in a university education. Washburn Institute of Technology and Manhattan Area Technical College were in the top five public higher education institutions in the state for that value.

Specific to House Bill 2515 we would suggest the following:

1. In Section 1 (b)(1) that you add under the definitions of “eligible post-secondary institution” (C) *the Washburn Institute of Technology*.
2. We would request clarification concerning having students complete the federal financial aid application process and what types of aid they would have to accept to be eligible for the Kansas Promise Scholarship. What is not clear is would they be expected to accept any federal grants and/or work-study aid, but not have to accept student loans? By having the Kansas Promise Scholarship make up any difference rather than student loans, there is even more incentive for persons to use the Kansas Promise Scholarship and to have lower student loan debt.
3. We would request clarification on the matter of the identification of high need occupations so that you would consider it being processed through a career pathway process, so that students who want to go into health care could use the pathway process. As an example, this could mean they would start as a Certified Nurse Assistant while in high school, and then continue into nursing or a related health care occupational program.

In conclusion, Kansas Technical Colleges support HB 2515. We are driving skilled technical workforce education in the state, providing a rapid, direct return on investment as the vast majority of the students remain in Kansas as employees, taxpayers, and consumers as they usually have no-to-low student debt. The technical colleges provide this performance without any local taxing authority. They also do this while receiving the least amount of higher education support from appropriations of ANY entity within education and higher education in the state. The Kansas Technical Colleges are only limited by the lack of assistance and investment to meet the ever-increasing demand for skilled technical workers and House Bill 2515 can certainly help.

Thank you for your continued support and recognition of technical education and workforce development in Kansas. I would be happy to answer any questions you have.