



KANSAS BOARD OF REGENTS

Senate Education Committee
HB 2213 Private and Postsecondary Education Fees Sunset
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Greetings Chair Baumgardner and members of the Senate Education Committee, I am Jean Redeker, Vice President for Academic Affairs at the Kansas Board of Regents. The Board is before you to request the removal of the sunset clause in K.S.A. 2016 Supp. 74-32,181(g), which was included in the fee statute in 2012. Removal of the sunset provision would not increase or otherwise alter any fees but would merely allow the Board to continue to charge fees sufficient to cover costs of regulating private and out-of-state postsecondary institutions.

As background, the major re-organization effort contained in SB 345, which was enacted in 1999, transferred the regulation of private and out-of-state postsecondary institutions operating in Kansas from the State Board of Education to the State Board of Regents. Such regulation helps to protect consumers and ensure the private and out-of-state schools operating in Kansas meet the quality and consumer protection standards established by law.¹ In addition to reviewing new applications, as of 2016 each of the 179 institutions currently approved to operate in Kansas must be annually reviewed for compliance with state law. To fund this regulatory activity, fees are charged to those institutions seeking to operate in Kansas.

In 2004, the Legislature adopted K.S.A. 2016 Supp. 74-32,162 *et seq.*, which updated and clarified the scope and degree of regulatory oversight. This adoption included a statute that allowed the Board to continue to charge fees for this work (K.S.A. 74-32,181) and set maximum allowable fee amounts, though did not include a sunset clause.

In 2009, the Board determined the fees being paid by private and out-of-state schools operating in Kansas did not adequately support the regulatory work required of the Board office. A review of the fees charged by other states regulating this sector was undertaken, and a fee schedule was proposed that was felt to more correctly reflect the amount and types of work that needed to be done to adequately carry out these functions.

In 2010, the Board requested, and the Kansas Legislature adopted, the current proposed fee schedule by approving amendments to K.S.A. 74-32,181. When the Board returned to the

¹ See K.S.A. 2016 Supp. 74-32,169 and K.A.R. 88-28-2 for standards. These standards include such things as ensuring a school is adequately financed, teachers are qualified, coursework is appropriate for the field, etc.

Legislature in 2011 to ask that minor changes be made to the fee statute (changes that were ultimately enacted), the Legislature included a one-year sunset clause. The sunset clause allowed the Board to charge fees through June 30, 2012. Thus in 2012, the Board requested and the Legislature approved extending the sunset clause through June 30, 2017.

The fees currently paid by the private and out-of-state postsecondary institutions operating (or wishing to operate) in Kansas provide sufficient funding to support the Board's regulatory functions. These functions are designed to help guard against the harm that can develop without sufficient oversight.

If the 2017 Legislature does not eliminate the sunset clause set forth in K.S.A. 2016 Supp. 74-32,181(g), the result will be the elimination of the Board's authority to charge any fees to this sector as of July 1, 2017. Without adequate fees paid by the schools being regulated, the Board would either need to seek state funding at the same levels, thus requiring Kansas tax payers to pay for state regulatory work done in connection with these private and out-of-state entities, or not be able to adequately regulate the private and out-of-state institutions operating in Kansas. The Board believes the best way to provide this critical oversight is to continue to charge fees to institutions seeking to operate in the state.

I respectfully ask that you favorably pass out HB 2213, which eliminates the sunset clause in K.S.A. 74-32,181(g) and allows the Board to continue to charge fees to regulate this sector.

Thank you for the opportunity to visit about the proposed statutory amendment. I am happy to stand for any questions.