



KANSAS BOARD OF REGENTS

House Education Committee
HB 2213 Private and Postsecondary Education Fees Sunset
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Greetings Chairman Aurand and members of the House 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. This request does not raise or change any fees but merely allows 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 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 it did not include a sunset clause.

In 2009, the Board determined that the fees 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 at that time and a fee schedule was proposed that correlated with the amount and types of work that needed to be done in order to adequately carry out the functions required by K.S.A. 2016 Supp. 74-32,162 *et seq.*

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

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, course-work is appropriate for the field, etc.

2011 to ask that minor changes be made to the fee statute (which 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 authorized in K.S.A. 2016 Supp. 74-32,181 and 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 taxpayers 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 being regulated.

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.