



Kansas Independent
College Association

**Testimony for the House Judiciary Committee
February 12, 2013
Matt Lindsey, President
Kansas Independent College Association**

Chairman Kinzer and members of the committee, thank you for the opportunity to come before you and explain why Kansas' independent colleges are opposed to House Bill 2188. I am Matt Lindsey, president of the Kansas Independent College Association, representing the eighteen independent colleges of Kansas, all of whom are not-for-profit institutions of higher education, accredited by the Higher Learning Commission of the North Central Association.

The Kansas Independent College Association and its members object to House Bill 2188. We do so for four reasons:

- 1) HB 2188 requires the not-for-profit colleges to violate the federal Family Educational Rights and Privacy Act (20 U.S.C. § 1232g; 34 CFR Part 99).**
- 2) HB 2188 jeopardizes \$280 million that Kansans receive for federal student aid.**
- 3) HB 2188 imposes an unnecessary and expensive regulatory burden on Kansas' not-for-profit colleges.**
- 4) HB 2188 puts Kansas' high-quality not-for-profit colleges at a competitive disadvantage to the for-profit colleges and other not-for-profit colleges operating in the Midwest.**

Kansas' Independent Colleges:

Kansas' 18 independent colleges and universities serve 24,572 total students as Fall 2012. Kansas' independent colleges award nearly 25% of the state's bachelor's degrees each year, and nearly 30% of the master's degrees. These colleges are vibrant, student-centered, entrepreneurially-minded, and focused on providing personal attention to each student who walks in our halls. That may be why 71% of our students graduate in four years, a fact we are

proud of just like we're proud of the high proportion of our graduates who stay in Kansas, raise a family, and become productive members of their community.

Moreover, our colleges, while generally small, are important players in the state's economy, both today and in the years to come. The operating budgets of our colleges ripple out into the local economies of their communities, providing some of the most important sources of financial stability during a trying economic time. But more important, our colleges are strengthening our communities, our state and our nation's capacity to respond to economic challenges, today and five and ten years from now, by preparing teachers, nurses, business leaders, legislators, pastors, software designers, and others.

I include these facts and observations to make an important point: our colleges are an essential part of the broad spectrum of Kansas' post-secondary educational system. While we are not regulated by the Kansas Board of Regents, we remain deeply committed to a shared vision that Kansas will thrive economically and civically if every Kansan has access to a high-quality post-secondary education that fits that individual student's abilities, interests, and learning styles.

KICA and its members object to HB 2188 for several reasons, as we detail below.

1) HB 2188 requires the not-for-profit colleges to violate the federal Family Educational Rights and Private Act.

All higher education institutions must abide by the Family Educational Rights and Privacy Act, otherwise known as FERPA. FERPA protects the privacy of all student educational records and applies to any school that receives funds from the U.S. Department of Education. FERPA prohibits the release of any student educational records – including:

- Grades and transcripts
- Health records
- Financial aid amounts
- Discipline proceedings

Only if the student grants a written release may these records be shared with anyone other than the student in question. In most cases, this even prohibits release of that information to the parents of the student.

Under the proposed requirements in HB 2188, the not-for-profit independent colleges would be forced to publish on our website, for anyone to see, the names, amounts, and enrollment status of students who receive Pell grants, Perkins loans, Federal Work-Study grants, and a number of other essential elements of student financial assistance. Moreover, the publication of recipients and amounts demanded by HB 2188 would also apply to every student at one of the Kansas' independent colleges who receives need-based aid from the Kansas Comprehensive Grant.

Publishing information on students who receive any of these funds would violate the conditions of FERPA.

2) HB 2188 jeopardizes \$280 million that Kansans receive for federal student aid.

HB 2188 thus forces us to either violate it or FERPA, or abandon all federal student aid.

Each of the programs listed above programs, as well as the highly valuable, need-based Kansas Comprehensive Grant, is an entirely pass-through funding mechanism. The amounts are sent through the educational institution and then granted individually to the students who have demonstrated financial need. Our college offices do not take a slice of this money for administrative costs or to cover the substantial compliance work already required. 100% of the money flows directly to the student to pursue his or her post-secondary educational career.

The only way to adhere to both FERPA and HB 2188 would be for the private, not-for-profit colleges give up more than \$280 million in federal student grants and loans, all of which would have flowed directly into the hands of students in Kansas otherwise. (see Appendix 1 for a breakdown of the federal student aid programs and amounts) This would severely damage our ability to affordably provide a post-secondary education to our students, invest in workforce development, and recruit new young people to Kansas who often discover they want to stay here and start a family.

3) HB 2188 imposes an unnecessary and expensive regulatory burden on Kansas' not-for-profit colleges.

Beyond the legal prisoner's choice and the forbearance of significant educational funding, HB 2188 asks our colleges to navigate a technical conundrum. In most cases, our colleges rely on IT departments of one or perhaps two individuals, both of which serve multiple functions. With no additional capacity, we would be enormously challenged to connect electronic fund-transfer systems and enrollment systems and then publish this sort of information securely on the web for all to see, even if it did not directly violate FERPA. Given the stated desire of the legislature that education spending at all levels should be invested primarily in the education of students, it is surprising then that HB 2188 would ask us to divert spending to additional IT compliance without evidence of a problem to address. I would point out that HB 2188 subjects our not-for-profit colleges to additional, burdensome, and mostly duplicative regulation. We are not convinced of the interest, motivation, or necessity to add additional and time-consuming reporting regulations for our schools. We have been good stewards of the state and federal student aid we receive, providing a high-quality educational experience.

4) HB 2188 puts Kansas' high-quality not-for-profit colleges at a competitive disadvantage to the for-profit colleges and other not-for-profit colleges operating in the Midwest.

Finally, not only would HB 2188 require us to violate FERPA or forego federal and state higher education funding for students and invest significantly in a new compliance and regulatory system, but for-profit colleges like the University of Phoenix and others would be protected from the requirements of the law. HB 2188 would put our successful, values-oriented, locally important not-for-profit colleges at a significant competitive disadvantage with the for-profit college industry as well as other not-for-profit colleges in surrounding states who do not face this dilemma. We hope that the members of this committee and the Kansas Legislature do not wish to drive our young people out of the state to pursue a college education.

In, sum, the Kansas independent colleges strongly oppose House Bill 2188 and, if it continues to target the not-for-profit colleges and universities of Kansas, we encourage the committee members to vote against its passage.

Thank you for the opportunity to come before you. I am happy to answer any questions you may have now or in written correspondence as the Committee deems helpful.

Matt Lindsey
President
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<http://www.kscolleges.org>

**Appendix 1:
Federal Student Aid at Kansas Independent Colleges (2012)**

Program	# of Awards	Dollar Amount
Pell Grants*	13,424	\$46,663,191
Federal Supplemental Education Opportunity Grants	3,036	\$1,894,007
Federal Work Study Grants	1,304	\$2,190,269
Perkins Loans	3,359	\$6,265,722
Direct Subsidized Loans (Stafford)*	20,299	\$88,165,792
Direct Unsubsidized Loans (Stafford)*	20,824	\$116,707,504
Direct PLUS Loans*	2,026	\$18,329,267
Direct Graduate PLUS Loans*	225	\$2,550,130
TOTAL	64,497	\$282,765,882

* Data for Pell Grants and Direct Loans are based on expenditures for 2011-2012 and are reflect published Federal Student Aid data as of December 2012.

All other data is for the academic year 2012-2013 as reported by the U.S. Department of Education on April 5, 2012.