

MINUTES OF THE SENATE COMMITTEE ON EDUCATION

The meeting was called to order by SENATOR JOSEPH C. HARDER at  
Chairperson

1:30 ~~XX~~<sup>XX</sup>/p.m. on MONDAY, MARCH 19, 1984 in room 254-E of the Capitol.

All members were present except:

Committee staff present:

Mr. Ben Barrett, Legislative Research Department  
Ms. Avis Swartzman, Legislative Revisor's Office  
Mrs. Millie Randell, Secretary

Conferees appearing before the committee:

HB 2514 - Educational agencies, immunity from liability for alcohol and drug abuse referrals (Education, by request)

Proponents:

Dr. Bill Curtis, Assistant Executive Director, Kansas Association of School Boards  
Ms. Kay Fernandez, Director of Communications, K-NEA

HB 2731 - Community colleges, student tuition, increasing rates per credit hour (Education, by request)

Proponents:

Dr. W. Merle Hill, Executive Director, Kansas Association of Community Colleges

HB 2848 - Kansas proprietary school act, exemptions therefrom (Brady)

Proponents:

Representative Bill Brady, sponsor of HB 2848  
Mr. Larry Magill, jr., Executive Vice-President, Independent Insurance Agents of Kansas  
Mr. John Peterson

HB 2514 -

Following a call to order by Chairman Joseph C. Harder, the Chairman asked the Committee to turn its attention to HB 2514 and then recognized Dr. Bill Curtis of KASB as the first proponent to testify for the bill. Dr. Curtis gave a brief history of the bill which, he said, had been introduced during the 1983 session and has been amended to include nonpublic accredited schools. He further stated that presently there is no statute which addresses the issue of immunity from liability of school personnel to report incidents of chemical abuse.

Ms. Kay Fernandez of K-NEA urged the Committee to pass HB 2514 favorably; because, she continued, it would be a valuable and helpful piece of legislation for the same reasons that make the child abuse legislation useful

HB 2731 - The Chairman next called upon Dr. W. Merle Hill to testify in support of HB 2731 on behalf of the Kansas Association of Community Colleges. Dr. Hill's testimony is found in Attachment 1.

Following testimony by Dr. Hill, the Chairman requested the conferee to obtain a list of the nineteen community colleges with their present tuition fees as well as the proposed tuition fees for next year. Dr. Hill responded that he would fulfill this request.

The Chairman then announced that the hearing on HB 2731 was concluded.

HB 2848 - The Chairman recognized Representative Bill Brady, sponsor of HB 2848, who briefly explained the provisions of the bill, including the House amendment. He said that the bill would apply to all associations.

Mr. Larry W. Magill, jr., of the Independent Insurance Agents of Kansas testified in support of HB 2848, and his testimony is found in Attachment 2.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON EDUCATION,  
room 254-E, Statehouse, at 1:30 ~~x.x~~ p.m. on MONDAY, MARCH 19, 19 84

Mr. John Peterson, representing the Kansas Association of Private Career schools, stated that he was concerned with the bill as it was originally written, because he thought it might be too broad. He said, however, that since it was amended by the House Education Committee, he is satisfied with the bill in its present form.

Following Mr. Peterson's testimony, the Chairman announced that the hearing on HB 2848 was concluded.

The Chairman then asked for the Committee to turn its attention to HB 2738, relating to due process procedures, and asked the Committee if it wished to take any action on the bill.

Senator Kerr made a motion to amend HB 2738, and this amendment is found in Attachment 3. Senator Kerr explained the amendment and said that it changed the probation period for new teachers from two to three years but maintains it at two years for teachers who transfer from one district to another district in Kansas. This motion was seconded by Senator McCray, and the amendment was adopted.

Senator McCray moved, and Senator Kerr seconded the motion to recommend HB 2738, as amended, favorably for passage, and the motion carried.

The Chairman then asked the Committee's pleasure regarding HB 2730, relating to the compulsory attendance law. Senator Warren moved that HB 2730 be recommended favorably for passage. This was seconded by Senator Allen, and the motion carried.

When the Chairman asked the Committee's pleasure regarding HB 2514, Senator Allen moved, and Senator Angell seconded the motion to report HB 2514 favorably for passage. The motion carried.

The Chairman adjourned the meeting.

SENATE EDUCATION COMMITTEE

TIME: 1:30 p.m. PLACE: 254-E DATE: Monday, March 19, 1984

GUEST LIST

<u>NAME</u>	<u>ADDRESS</u>	<u>ORGANIZATION</u>
Oran Clumett #	Topeka	USD 501 #
Jan Fumley	Topeka	K-NEA
Merle Hee	Topeka	KACC
Bill Curtis	Topeka	KASB
LARRY MAGILL	#	INDEP. INS. AGENTS OF KS.

SENATE EDUCATION COMMITTEE

TIME: 1:30 p.m. PLACE: 254-E DATE: Monday, March 19, 1984

GUEST LIST

<u>NAME</u>	<u>ADDRESS</u>	<u>ORGANIZATION</u>
Tiffany Poulton	Jatham, Ks.	Girl Scouts
Cheryl Armstrong	Spring Hill, Ks.	Girl Scouts
Bachelle Sharbutt	Leon, Ks.	Girl Scouts
Michael A. Flyzik	Topeka, Ks.	SRS/ADAS
John Peterson	Topeka, Ks.	Ks. Assn. of Private <sup>Career</sup> Schools
Jacquie Oakes	Gates Center	TT#SB





# KANSAS ASSOCIATION OF COMMUNITY COLLEGES

Columbian Title Bldg., 820 Quincy • Topeka 66612 • Phone 913-357-5156

W. Merle Hill  
Executive Director

To: Senate Education Committee

From: Merle Hill, Executive Director  
Kansas Association of Community Colleges

Date: March 19, 1984

Subj: House Bill No. 2731: An act concerning community colleges;  
relating to student tuition; increasing rates per credit hour  
authorized to be charged and collected; amending K.S.A. 1983  
Supp. 71-301 and repealing the existing section.

Mr. Chairman and members of the committee:

*Senate*  
I appear before you today to request favorable action on House Bill No. 2731 by the House Education Committee. This bill requests authorization for the community college boards of trustees to increase tuition charges per credit hour from the current range of \$10-15 to a range of \$12-\$18, a 20% increase. The \$10-\$15 range was established in 1980.

You are aware that tuition charges and local ad valorem taxes are the two sources of revenue over which local boards have some control. Local mill levies in community college counties have increased an average of 28% since 1981 and range from a low of 10.70 mills (Kansas City Kansas Community College) to a high of 31.52 mills (Highland Community College). To increase the tuition range, however, legislation is required.

Although inflation was only about 3% in 1983, it was nearly 9% in 1982 and at double-digit figures in 1981. In an attempt to keep tuition as low as possible, the boards have not requested an increase in four years.

Tuition at our sister institutions, the six regents' universities and Washburn University of Topeka, have increased significantly since 1980. The regents' institutions increased tuition by 9.5% in 1980, 22% in 1981, 20% in 1983 and are looking toward another 10% increase in 1984-85. Current tuition charges at the University of Kansas, Kansas State University and Wichita State University are \$820 a year. At the three regional universities the charges are \$644 a year.

Senate Education Committee  
March 19, 1984, H.B. 2731  
Page 2, ..

Washburn University of Topeka has had tuition increases of 25% and 22% in the past two years, and the current tuition rate is \$49 per credit hour.

Currently, only 4 community colleges are charging the maximum \$15 per credit hour, 2 are charging \$14 and the average for the 19 colleges is \$12.76. Many of those currently charging less than the maximum are planning to announce tuition increases for 1984-85, and most will be at the maximum very soon.

Increasing the tuition range by 20%, to a low of \$12 and a high fo \$18, will enable community college boards to meet their fiscal obligations for the next few years and will permit the 19 community colleges, which are currently serving more than 42,000 Kansans, to continue to provide quality educational opportunity at a relatively modest cost.

The Kansas Association of Community Colleges requests favorable passage of House Bill No. 2731. Thank you.

MH:am

Testimony on HB 2848  
By: Larry W. Magill, Jr., Executive Vice President  
Independent Insurance Agents of Kansas

Thank you for the opportunity to appear today in support of HB 2848 introduced by Representative Brady at our request. We view this proposal as a necessary broadening of the association exemption to avoid expensive and time consuming regulation of our education programs, which would not serve in the best interests of our members or consumers.

Under the present association exemption wording, associations do not qualify if: (1) they allow nonmembers to attend their education programs or (2) a tuition fee is paid by the student.

In regard to the second requirement, a number of problems can arise. When a sole proprietor or a partnership pays a registration fee is that the firm paying the fee or the individual owners in the case where the owner is the one attending the school? If the firm first pays the fee and then charges it back to the student, how can the association know that this will happen when all they receive is the employer's check? To our knowledge, this has not been the practice among our members or nonmembers who attend our schools.

Most associations have substantially increased their education activities since 1971 when the Kansas Proprietary School Act was first passed, and to our knowledge most associations have been allowing nonmembers to attend for a higher fee because: (1) Potential anti-trust problems where associations exclude nonmembers from participating in association benefits. The attached excerpts from the Law of Associations addresses this point. The author points out that an association seeking to establish that it is formed for the "common business interest" can point to the furnishing of services to nonmembers, as well as to members to bolster their position that it is organized to promote an industry generally.

Subsequently, on page 15-56, the author points out that, "Anti-trust law enforcers of the federal government many times require such rendition of services to nonmembers." They went on to point out that the difference in fee charged for nonmembers must reflect an actual difference in the cost of the service furnished. In other words, if the activity is dues supported then the association is justified an additional fee to nonmembers on the basis of the amount of dues support.

Secondly, nonmembers are allowed to attend by most associations because they represent an excellent source of prospects for new members. Representative Brady, in fact, attended a school as a nonmember prior to joining our association. When the nonmember subsequently joins, the difference in fees is credited against dues during that year.

Thirdly, although minor, nonmembers are a source of additional revenue, which may allow a marginal school to be held for the benefit of all. Last year, out of 1,200 students who attended IIAK sponsored programs, approximately 8 were nonmembers and 6 of those nonmembers had attended one of our licensing schools. Nevertheless, if a particular school is borderline on paying its direct expenses, one or two additional people might make the difference in whether the school is held or cancelled. Our only marketing efforts are through our own membership. Thus, although our schools are open to nonmembers, very few attend.

Besides the Kansas Association of Realtors, we are unaware of any other associations that the Proprietary School Act has been applied to, yet most would probably not meet the requirements for the association exemption. The law does not just address licensing schools, but would apply to any educational program put on by an association.



Exactly what is a school? The law defines a school as, "any business enterprise... (1) which offers or maintains a course or courses of instruction or study; or (2) at which place of business such course or courses of instruction or study is available...for the purpose of training or preparing such person for a field of endeavor in a business, trade technical or industrial occupation, or for avocational or personal improvement, except as hereinafter excluded."

Under this definition of a school, it is possible that our convention where nonmembers such as exhibitors, insurance company employees, non-member agents and others attend and where we give credit towards continuing education, would have to somehow be closed to nonmembers or qualify under the Proprietary School Act. It could also include our legislative "Day at the Capitol" where nonmembers do attend and where we do educate them on legislative issues.

In fact, counting our convention, "Day at the Capitol" and Young Agents Conference, we anticipate sponsoring over 37 different programs during 1984 as outlined on our education calendar. Last year, we sponsored over 60 days of classes which were attended by over 1,200 students. Bringing all of these programs into compliance, many of which are developed to meet special needs which may only be given once, would be expensive, time consuming and frankly, a waste of time. Many of the programs we sponsor are given by professional speakers or are developed by our national association in conjunction with firms specializing in educational training. Last year, IIAK was instrumental in forming KICEP, the Kansas Insurance Continuing Education Program, sponsored by all facets of the insurance industry to promote a voluntary continuing education program. Our principle reason for taking this step was to

avoid the additional government regulation of mandatory continuing education.

The problems associated with such government regulation are amply demonstrated by the list of requirements a school must meet to be certified under the Proprietary School Act contained in K.S.A. 72-4926. A copy is attached. In all, there are 12 criteria presumably each of our 37 different programs would have to meet.

In our last Long Range Planning Committee report, education was listed as the top priority of our association during the coming years. As a result, this activity we subsidize through our dues. Last year our educational programs ran a loss of \$13,746, which means that we subsidized them to that extent from dues income.

In summary, regulation of bonified trade association education activities is unnecessary. Associations are self-policing - the "owners" of the schools are paying freight and while nonmembers represent a small percentage of our total enrolees, they are important because of: (1) anti-trust considerations; (2) a source of member prospects; and (3) a source of potential additional revenue that may enable a school to be held.

The present Proprietary School Act would be extremely difficult to uniformly apply to associations. Most are not even aware of its existence, let alone that they may need to come into compliance with it. To our knowledge, there have been no abuses by associations that would require government regulating our education activities - an expensive, time consuming and probably ineffective approach. We urge the committee to report HB 2848 favorably for passage.

represent the main purpose of its operations and which are incidental thereto, even apart from comparative revenue figures. In discussing this latter, the court said:

We do not say that financial data of the type here present is the only relevant criterion of the importance of one of an organization's many activities. But we do hold that the relative contribution to plaintiff's receipts and expenditures of its listing service, and the amount of personnel which the service requires, are sufficiently substantial that the listing service cannot be regarded as an incidental activity of the Board.

### [2]—Source of Income

There has already been some discussion as to whether or not the receipt of income from various activities may constitute engaging in a regular business and thus preclude exemption. There has also been mention of the fact that ~~the Service may take the position that a receipt of more than a certain percentage of income from advertising, or unrelated business income, may preclude exemption entirely.~~

Similarly, in *Automotive Electric Association*<sup>16</sup> there were some dues paid by members, but most of the revenue was from the sale of a catalog. In the Credit Bureau cases, the dues, if any, were nominal, with most of the income from a unit rate charged for credit reports issued.

~~It is obvious that there is a danger when a substantial portion of the expenses of an association are borne by activities which are not related to the regular activities of the association, or from other than dues.~~

### [3]—Dues

In the best position from a tax standpoint are organizations that derive all or nearly all of their income from dues. Moreover, there is no objection to basing the dues upon the member's size or on the scope of its operations, despite some manifestation of faint objection by the Internal Revenue Service at one time.

<sup>16</sup> *Automotive Electric Ass'n*, 8 T.C. 894 (1947), *aff'd*, 168 F.2d 366 (6th Cir. 1948).

For example, the following methods of assessment, involving some type of "volumes of business" basis have gone unchallenged in the decided cases: active members assessed at the rate of one-tenth of one percent of gross sales and associate members paid \$25 per year,<sup>17</sup> annual membership dues of \$10 per boat and contributions on the basis of 60¢ per ton for all fish accepted by the canners,<sup>18</sup> dues based on average number of employees during the preceding calendar year,<sup>19</sup> and dues based on members' mechanical payroll.<sup>20</sup>

~~Generally, the Service has not been concerned with an association's method of assessing dues.~~

### [4]—Services to Nonmembers

Also possibly affecting the exempt status of associations are services to nonmembers. ~~It has been concluded that exemption will not be denied solely because a service is not made available to nonmembers,<sup>21</sup> and the fact that a service is furnished to nonmembers as well as to members may support an association's claim that it is organized to promote the industry generally.<sup>22</sup> It would indeed be odd for an association to lose its exempt status if it supplied services to nonmembers since the antitrust law enforcers of the federal government many times require such rendition of services to nonmembers.~~

In a recent audit of an association, there was involved a proposed denial of the association's exemption because:

- (a) Only members would receive a directory prepared by the association.
- (b) Only members could exhibit in the trade show of the association.

The IRS backed away from this audit.

<sup>17</sup> *American Refractories Institute*, 6 T.C.M. 1302 (1947).

<sup>18</sup> *American Fishermen's Tuna Boat Association v. Rogan*, 51 F. Supp. 933 (C.D. Calif. 1943).

<sup>19</sup> *Associated Industries of Cleveland*, 7 T.C. 1449 (1946).

<sup>20</sup> *Commissioner v. Chicago Graphic Arts Fed.*, 128 F.2d 424 (7th Cir. 1942).

<sup>21</sup> *Milwaukee Ass'n of Commerce v. United States*, 72 F. Supp. 310 (E.D. Wis. 1947).

<sup>22</sup> *National Leather & Shoe Finders Ass'n*, 9 T.C. 121 (1947).

However, ~~it may be harmful taxwise if nonmembers must pay more for a particular service than members do, unless the difference reflects an actual difference in the cost of the service furnished.~~ In some cases,<sup>23</sup> higher charges for service to nonmembers contributed to the denial of exemption. In another case,<sup>24</sup> the higher charge was held justified because it was based on the higher cost of performing the inspection service, the Federal District Court stating:

This difference in charges is made because members' cars are usually inspected four or five or more at a time, while nonmembers usually have only one car for inspection . . . because a nonmember usually requires more immediate service than a member, because of the additional bookkeeping involved ~~and also as an attempt to equalize the fact that nonmembers pay no dues.~~ [Emphasis supplied.]

It also should be noted that services rendered to nonmembers may be justified by virtue of the requirements of the antitrust laws, and in at least one case, a reference was made to this fact.<sup>25</sup>

The Antitrust Division point seems clear to the effect that ~~competitive information has to be made available to nonmembers.~~ The statement was as follows:<sup>26</sup>

I think this is a private group saying that "We have got information, and which we competitors hate like heck to give to one another, but we have found it to our mutual advantage to get together and exchange it."

Now, if they do that and do not make it available, I think they have violated the antitrust law. However, I don't think that means that they are required to give it away.

<sup>23</sup> *American Ass'n of Engineers Employment v. Commissioner*, 204 F.2d 19 (7th Cir. 1953); *Credit Bureau of Greater New York v. Commissioner*, 162 F.2d (2d Cir. 1947).

<sup>24</sup> *Little Rock Grain Exchange v. Thompson*, 93 F. Supp. 571, (E.D. Ark. 1950), appeal dismissed on stipulation of parties, 186 F.2d. 310 (8th Cir. 1950).

<sup>25</sup> *Milwaukee Ass'n of Commerce v. United States*, 72 F. Supp. 310, 311 (E.D. Wisc. 1947).

<sup>26</sup> George Miron, Assistant Chief, General Litigation Section, Antitrust Division, 27 A.B.A. Antitrust Section 174 (1965).

This position is based on several antitrust cases.<sup>27</sup>

Accordingly, services to nonmembers may clearly be justified on this non-tax ground.

In *Glass Container Industry Research Corp.*,<sup>28</sup> the organization was held ~~not entitled to an exempt status as a business league since it did not make its research available to both members and nonmembers.~~ In so holding the court stated:

It is contended also that there is no requirement in the law that research information must be provided free of charge in order to bring a corporation within the tax-exempt provisions. I think that proposition is correct also. It seems to this court, however, that research being the dominant purpose of this corporate entity and the results of the research being only for the benefit of the members, the organization is in reality a cooperative effort on the part of a limited number of persons to research business projects for the benefits of themselves rather than the public at large, or the industry at large, and thus the entity is not tax-exempt.

The conclusion in most situations is that higher charges may be made to nonmembers. The members pay the cost of the annual operations and are therefore entitled to some special consideration.

## § 15.07 Professional Associations

### [1]—"Business League" Classification Generally Given

~~Generally, professional associations are classified for federal tax purposes as "business leagues" rather than as "educational or scientific organizations.~~ It follows, then, that all of the foregoing limitations apply to professional associations.

<sup>27</sup> *E.g., Sugar Institute, Inc. v. United States*, 297 U.S. 553 (1936).

<sup>28</sup> *Glass Container Industry Research Corp. v. United States*, 70-1 U.S.T.C. 9214 (W.D. Pa 1970). See the same result generally reached in Rev. Rul. 69-106, 1969-1 CUM. BULL. 153.

**Article 48.—TRUANCY AND SCHOOL CENSUS (Not in Active Use)**

**72-4801.**

**Revisor's Note:**

Section transferred to 72-1111.

**72-4802.**

History: L. 1903, ch. 423, § 2; L. 1907, ch. 317, § 1; L. 1923, ch. 182, § 2; R.S. 1923, 72-4802; Repealed, L. 1969, ch. 316, § 3; L. 1969, ch. 310, § 66; July 1.

**CASE ANNOTATIONS**

1. School regulation expelling pupil for refusal to salute flag held invalid; freedom of religion. State v. Smith, 155 K. 588, 589, 127 P.2d 518.

2. Conviction upheld; "home school" held not equivalent of "private school"; 72-1103 applied in construing 72-4801. State v. Lowry, 191 K. 701, 703, 383 P.2d 962.

3. Mentioned; compulsory school attendance law does not infringe religious liberty. State v. Garber, 197 K. 567, 569, 570, 419 P.2d 896.

**72-4803.**

History: L. 1903, ch. 423, § 3; L. 1923, ch. 182, § 3; R.S. 1923, 72-4803; Repealed, L. 1969, ch. 316, § 3; L. 1969, ch. 310, § 66; July 1.

**72-4804, 72-4805.**

History: L. 1903, ch. 423, §§ 4, 5; R.S. 1923, 72-4804, 72-4805; Repealed, L. 1969, ch. 316, § 3; L. 1969, ch. 310, § 66; July 1.

**72-4806.**

History: L. 1903, ch. 423, § 6; L. 1923, ch. 182, § 4; R.S. 1923, 72-4806; Repealed, L. 1951, ch. 395, § 74; July 1.

**Revisor's Note:**

Later act relating to census of children under disability, see 72-5338.

**72-4807.**

**Revisor's Note:**

Section transferred to 72-1110.

**Article 49.—PROPRIETARY SCHOOLS**

**Revisor's Note:**

This article was formerly entitled "Private Schools Operated for Profit."

**Law Review and Bar Journal References:**

Mentioned in "1971 Legislative Synopsis," Robert F. Bennett, 40 J.B.A.K. 307, 353, 354 (1971).

**72-4901 to 72-4905.**

History: L. 1909, ch. 204, §§ 1 to 5; R.S. 1923, 72-4901 to 72-4905; L. 1961, ch. 338,

§§ 1 to 5; Repealed, L. 1968, ch. 326, § 11; July 1.

**72-4906 to 72-4915.**

History: L. 1968, ch. 326, §§ 1 to 10; Repealed, L. 1971, ch. 228, § 26; July 1.

**72-4916.** Title of act. This act shall be known and may be cited as the "Kansas proprietary school act."

History: L. 1971, ch. 228, § 1; July 1.

**72-4917.** Purpose of act. The aim in adopting this act is to establish in a unified and organized form regulatory laws relating to non-tax supported educational institutions and to simplify, clarify and harmonize existing legal relationships relating to these institutions.

History: L. 1971, ch. 228, § 2; July 1.

**72-4918.** Applicability. This act applies to all educational institutions not supported by state tax funds unless specifically exempted in K.S.A. 72-4920.

History: L. 1971, ch. 228, § 3; July 1.

**72-4919.** Definitions. As used in this act, unless the context otherwise requires:

(a) "Proprietary school" or "school" means any business enterprise operated for a profit, or on a nonprofit basis, which maintains a place of business within the state of Kansas, or solicits business within the state of Kansas, and which is not specifically exempted by the provisions of this act; and

(1) which offers or maintains a course or courses of instruction or study; or

(2) at which place of business such a course or courses of instruction or study is available through classroom instruction or by correspondence, or both, to a person or persons for the purpose of training or preparing such person for a field of endeavor in a business, trade, technical, or industrial occupation, or for avocational or personal improvement, except as hereinafter excluded.

(b) "Owner" of a school means: (1) In the case of a school owned by an individual, that individual;

(2) In the case of a school owned by a partnership, all full, silent, and limited partners;

(3) In the case of a school owned by a corporation, the corporation, its directors,

officers and each shareholder owning shares of issued and outstanding stock aggregating at least ten percent (10%) of the total of the issued and outstanding shares.

(c) "School employee" means any person, other than an owner, who directly or indirectly receives compensation from a proprietary school for services rendered.

(d) "Representative" means a person employed by a proprietary school whether the school is located within or without the state of Kansas, to act as an agent, solicitor, broker or independent contractor to directly procure students or enrollees for the school by solicitation within or without this state at any place other than the office or place of business of the school.

(e) "State board" means the state board of education, or such person or persons as may be designated by it to administer the provisions of this act.

(f) "Notice to the school" means written correspondence sent to the address of record for legal service contained in the application for a certificate of approval. "Date of notice" means the date the notice is mailed by the state board.

(g) "Support" or "supported" means the primary source and means by which a school derives revenue to perpetuate its operation.

(h) "Person" means any individual, firm, partnership, association, corporation, or other private entity.

History: L. 1971, ch. 228, § 4; July 1.

**72-4920.** Exemptions. The following schools or educational institutions shall be specifically exempt from the provisions of this act and shall not be considered to be within the definition of "proprietary school":

(a) A school or educational institution supported primarily by taxation from either a local or state source.

(b) Nonprofit schools owned, controlled, operated and conducted by bona fide religious, denominational, eleemosynary or similar public institutions exempt from property taxation under the laws of this state, but such schools may choose to apply for a certificate of approval hereunder, and upon approval and issuance, shall be subject to the provisions of this act as determined by the state board.

(c) A school or training program which offers instruction of purely avocational or recreational subjects as determined by the state board.

(d) A course or courses of instruction or study sponsored by an employer for the training and preparation of its own employees, and for which no tuition fee is charged to the student.

(e) A course or courses of study or instruction sponsored by a recognized trade, business, or professional organization for the instruction of the members of the organization with a closed membership, and for which no tuition fee is charged to the student.

(f) Private colleges and universities which award a baccalaureate, or higher degree, and which maintain and operate educational programs for which credits are given. A majority of said credits must be transferable to a college, junior college, or university accredited by a national recognized accrediting agency listed by the United States office of education under the provisions of chapter 33, title 38, U.S. code and such subsequent federal legislation as is approved by the state board.

(g) A school which is otherwise regulated and approved under any other law of this state.

(h) A course or courses of special study or instruction financed and/or subsidized by the local or state government, private industry, or any person, firm, association or agency, other than the student involved, on a contract basis and having a closed enrollment, except that a school financed and/or subsidized by federal or special funds may apply to the state board for exemption from the provisions of this act and may be declared exempt by the state board when it finds the operation of such school to be outside the purview of this act.

History: L. 1971, ch. 228, § 5; July 1.

**72-4921.** State board; powers; rules and regulations. The state board shall exercise jurisdiction and control of the system of schools and enforce minimum standards for approval of schools under rules and regulations and policies hereinafter set forth and as may from time to time be adopted pursuant to the provisions of this act. The state board may adopt rules and regulations to



proprietary school meets the standards fixed by the state board. The state board may issue a certificate of approval to any proprietary school accredited by a regional or national accrediting agency recognized by the United States office of education without further evidence.

History: L. 1971, ch. 228, § 10; July 1.

**72-4926.** Same; certificate; criteria for issuance. The state board shall issue a certificate of approval when it is satisfied that a school meets minimum standards established in accordance with this act.

Minimum standards shall be established by the state board by adoption of rules and regulations to insure that:

(a) Courses, curriculum, and instruction in proprietary schools are of such quality, content, and length as may reasonably and adequately achieve the stated objective for which the courses, curriculum or instruction are offered.

(b) Proprietary schools have adequate space, equipment, instructional material, and personnel to provide training of good quality.

(c) Educational and experience qualifications of directors, administrators, and instructors are such as may reasonably insure that students will receive training consistent with the objectives of their program of study.

(d) Proprietary schools maintain written records of the previous education and training of students and applicant students, and that training periods are shortened when warranted thereby or by skill or achievement tests.

(e) A copy of the course outline, schedule of tuition, fees, and other charges, settlement policy, rules pertaining to absence, grading policy, and rules of operation and conduct are furnished to students upon entry into class.

(f) Upon completion of training, students are given certificates or diplomas by the school indicating satisfactory completion of training in courses.

(g) Adequate records are kept to show attendance, progress or grades, and satisfactory standards are enforced relating to attendance, progress, and conduct.

(h) Schools comply with all local, city, county, municipal, state and federal regulations, such as fire codes, building and sanitation codes.

(i) Schools are financially responsible and capable of fulfilling its commitments for training.

(j) Schools do not utilize erroneous or misleading advertising, either by actual statement, omission, or intimation, and are not in violation of minimum standards relating to advertising.

(k) School administrators, directors, owners and instructors are of good reputation and character.

(l) Schools have and maintain a policy, which shall be subject to state board approval, for the refund of the unused portions of tuition, fees, and other charges in the event a student enrolled by the school fails to begin a course or withdraws or is discontinued therefrom at any time prior to completion, which policies shall take into account those costs of the school that are not diminished by the failure of the student to enter or complete a course of instruction. Policies under this subpart shall be consonant with standards approved by the United States office of education, and such standards shall be presumed to be reasonable.

History: L. 1971, ch. 228, § 11; July 1.

**72-4927.** Certificate of approval; form; term; transferability; renewal; school not in operation. (a) The state board, upon review of an application for a certificate of approval duly submitted in accordance with the provisions of K.S.A. 72-4925 and meeting the requirements of K.S.A. 72-4926, shall issue a certificate of approval to the applicant proprietary school. Certificates of approval shall be in a form specified by the state board with advice from the commission. Certificates of approval shall state clearly and conspicuously at least the following information:

(1) Date of issuance, effective date and term of approval;

(2) the correct name and address of the school;

(3) the authority for approval and conditions of approval, if any referring specifically to the approved catalog or bulletin published by the school;

(4) the signature of the commissioner of education or a person designated by the state board to administer the provisions of this act; and

(5) any other fair and reasonable representations as are consistent with this act and deemed necessary by the state board.



# What Is The Kansas Insurance Continuing Education Program?

The KANSAS INSURANCE CONTINUING EDUCATION PROGRAM (KICEP) is an exciting step forward in a voluntary, all-industry supported continuing education program. KICEP provides the opportunity for any person to participate in educational activities which will further develop their expertise and abilities.

Through an organized and measureable program KICEP's goal is to encourage and promote professionalism and reward those individuals who achieve, and continue to achieve, required standards of educational training in insurance.

Besides the support of sponsoring organizations, KICEP carries the following endorsement:

"I am in complete support of the Kansas Insurance Continuing Education Program. This program provides a unique opportunity for members of the insurance industry to demonstrate their interest in obtaining additional knowledge and skills to better serve the citizens of this state. I am excited about the potential of this program."



Fletcher Bell  
Commissioner of Insurance

KICEP is sponsored by organizations representing virtually all segments of the insurance industry. Any organization wishing to participate should contact the KICEP office. The sponsoring associations are represented on the Accreditation Committee which establishes evaluation criteria for insurance courses and awards continuing education hours (CEH's) to each. A CEH is defined as a fifty minute classroom instructional session or one contact hour.

A "Certificate of Completion" will be awarded to those who complete 25 CEH's in a calendar year. In order to continue displaying the certificate, 25 CEH's must be obtained annually for the next three consecutive years and 15 CEH's annually thereafter. An annual entry fee of \$10 is required by each individual for record maintenance.

## How Are Courses Accredited?

Organizations sponsoring educational programs are encouraged to submit a course outline to the Accreditation Committee of KICEP for evaluation and awarding of CEH's. Courses will be evaluated on the following criteria:

- Does the program have a clear statement of purpose — goals and objectives?
- Does the objective state the level of knowledge the participants should attain upon completion?
- Is the program relevant?
- Is the program conducted by qualified instructors?

A copy of the complete evaluation procedures is available on request from the KICEP office.

When enrolling in insurance courses, be sure to ask if the course has been submitted to KICEP for accreditation. If not, contact the KICEP office for submittal forms. Programs leading to a designation, such as CPCU, CLU, CIC or AAI, have been assigned CEH's and will not have to be submitted. Forms are available for use in verifying successful completion of these courses.

## Why Should I Participate?

Participating in KICEP offers:

- Recognition by an all-industry effort of your professional development
- Personal growth and satisfaction
- A complete record of educational activities
- Accumulation of continuing education hours
- Increased product knowledge
- A system for an in-house career path program
- Added accomplishment for resumes
- Improving the professional image seen by the insurance buying public.

Complete the entry form attached and return to the KICEP office at 917 Topeka Avenue, Topeka, KS 66612, or call 913/232-0561 for additional information.



**PROGRAM**

**EDUCATION**

**CONTINUING**

**INSURANCE**

**KANSAS**

### **Sponsoring Organizations:**

- American Insurance Association
- Independent Insurance Agents of Kansas
- Insurance Women of North Central Kansas
- Insurance Women of Topeka
- Insurance Women of Wichita
- Kansas 1752 Club
- Kansas Association of Life Underwriters
- Kansas Association of Property & Casualty Companies
- Kansas City Society of CPCU
- Kansas CLU
- Kansas Insurance Association
- Kansas Insurance Education Foundation
- Kansas Life Association
- Kansas Society of Insurance Women
- Kansas Society of CPCU
- Professional Insurance Agents of Kansas
- Wichita Society of CPCU

---

### **Kansas Insurance Continuing Education Program**

Please maintain a permanent record of my educational activities. My check for \$10 made payable to KICEP is enclosed. I understand that I will have to notify you of courses I have completed.

Name \_\_\_\_\_

Firm's Name \_\_\_\_\_

Firm's Address \_\_\_\_\_

Home Address \_\_\_\_\_

Business Phone Number \_\_\_\_\_

Please return to: KICEP, 917 Topeka Ave., Topeka, KS 66612.



Independent Insurance Agents of Kansas  
917 SW Topeka Avenue  
Topeka, Kansas 66612

1984  
**KANSAS**  
EDUCATION



**Personnel Training Planner**



## JANUARY 1984

1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

23 AAI Study Groups Begin Various \$45

## FEBRUARY 1984

			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29			

23 Day At the Capital Topeka \$50  
28 Insurance Selling Strategies Topeka \$135

## MARCH 1984

				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

6 Commercial Property Coverage Wichita \$45  
7 Umbrella Workshop Topeka \$60  
8 Commercial Property Coverage Garden City \$45  
8 Umbrella Workshop Wichita \$60  
12 Flood Insurance Hays  
13 Commercial Property Rating Wichita \$45  
13 Flood Insurance Dodge City  
14 Flood Insurance Wichita  
15 Commercial Property Rating Garden City \$45  
15 Flood Insurance Topeka  
16 Flood Insurance Kansas City  
20 Time Element Rating Wichita \$45  
22 Time Element Rating Garden City \$45  
28-29 \*Personal Lines School Topeka

## APRIL 1984

1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

2 New Workers Compensation Policy Hays  
3 General Liability Coverage Wichita \$45  
3 New Workers Compensation Policy Garden City  
4 New Workers Compensation Policy Wichita  
5 General Liability Coverage Garden City \$45  
5 New Workers Compensation Policy Chanute  
6 New Workers Compensation Policy Topeka  
9 Contractors Insurance Needs Wichita \$85  
9-11 Property/Casualty Licensing School Topeka \$110  
10 General Liability Rating Wichita \$45  
11 Claims Handling Seminar Great Bend \$25  
12 General Liability Rating Garden City \$45  
23-24 PRO 81 Review TBD \$45  
24 Commercial Auto Coverage Wichita \$45  
24-25 PRO 82 Review TBD \$45  
25 Commercial Auto Coverage Garden City \$45  
26-27 PRO 83 Review Topeka \$45

## MAY 1984

			1	2	3	4	5
6	7	8	9	10	11	12	
13	14	15	16	17	18	19	
20	21	22	23	24	25	26	
27	28	29	30	31			

1 Insurance Education Month Banquet Topeka  
1 PRO 83 Exam Various  
1 Commercial Auto Rating Wichita \$45  
2 PRO 82 Exam Various  
3 PRO 81 Exam Various  
3 Commercial Auto Rating Garden City \$45  
8 Claims Handling Seminar Kansas City \$25  
10-12 Young Agents Conference Shangri-La  
15 Garage Coverage & Rating Wichita \$45  
17 Garage Coverage & Rating Garden City \$45  
21-22 Life/A&H Licensing School Kansas City \$100  
22 Workers Compensation Rating & Coverage Wichita \$45  
24 Workers Compensation Rating & Coverage Garden City \$45

## JUNE 1984

						1	2
3	4	5	6	7	8	9	
10	11	12	13	14	15	16	
17	18	19	20	21	22	23	
24	25	26	27	28	29	30	

5 SMP Rating Wichita \$45  
6 \*Oil & Gas Seminar Garden City  
7 SMP Rating Garden City \$45  
7 \*Oil & Gas Seminar Wichita  
12 \*Customer Relations Seminar Topeka  
14-16 Life/A&H Minimum Education Workshop Topeka  
21 Telemarketing-Insurance & Financial Sales Kansas City

### JULY 1984

1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

9-11 Property/Casualty Licensing School Wichita \$110  
 12 Life Insurance Sales in Your Agency Kansas City  
 18-20 Big "I" Summer School Manhattan  
 18-20 Agency Management Conference Manhattan

### AUGUST 1984

			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

7 \*Government Entity Risk Management Garden City  
 8 \*Government Entity Risk Management Wichita  
 9 \*Government Entity Risk Management Kansas City  
 13-14 Life/A&H Licensing School Topeka \$100  
 22-23 \*Sales Management Strategies Topeka

### SEPTEMBER 1984

							1
2	3	4	5	6	7	8	
9	10	11	12	13	14	15	
16	17	18	19	20	21	22	
23	24	25	26	27	28	29	
30							

4 AAI Study Groups Begin Various \$45

### OCTOBER 1984

	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

14-16 IIAK Convention Kansas City  
 22-23 Life A&H Licensing School Wichita \$100

### NOVEMBER 1984

				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

6-8 KIA Annual Insurance School Topeka  
 13 \*Assigned Risk Plans Hays  
 14 \*Assigned Risk Plans Wichita  
 15 \*Assigned Risk Plans Kansas City  
 27 E&O Loss Prevention Garden City  
 28 E&O Loss Prevention Salina  
 29 E&O Loss Prevention Topeka

### DECEMBER 1984

							1
2	3	4	5	6	7	8	
9	10	11	12	13	14	15	
16	17	18	19	20	21	22	
23	24	25	26	27	28	29	
30	31						

4-5 PRO 83 Review TBD \$45  
 5-6 PRO 82 Review TBD \$45  
 6-7 PRO 81 Review TBD \$45  
 11 PRO 83 Exam Various  
 12 PRO 82 Exam Various  
 13 PRO 81 Exam Various

\* Tentative dates and classes - plans are not finalized. Other courses will be added as deemed necessary.



## Are you missing out on other member services?

Contact the IIAK office for information on the following:

Errors & Omissions Insurance Coverage  
Contingent Commission Insurance Coverage  
Group Life and Health Insurance  
Municipality Insurance Program  
Big "I"® logo & advertising  
IIAK Publications:  
    *Independent Agent*  
    *Kanas Insurance*  
    *The Dispatch*  
    *Legislative Report*  
    *Kansas Education Update*  
    *Workers Compensation Digest*  
Rapid Rater Service  
Coverage Guide  
Insurance Rating Dynamics - Rating Computer

**Plus Much More!**

### 1983-84 IIAK EDUCATION COMMITTEE

Gary Sollars, CPCU, Chairman  
Charlton-Manley, Inc.  
Lawrence, KS

Craig Schumacher, CIC  
Insurance Planning  
Hays, KS

Ronald Srajer, CIC  
Rutter/Cline & Assoc.  
Garden City, KS

James St. Aubyn, CIC  
Wichita Insurance  
Wichita, KS

Dave Tozier  
Cliff Tozier Insurance  
Kansas City, KS

Joseph Wempe  
The Meade Company  
Topeka, KS

## Proposed Amendment to House Bill No. 2738

On page 2, following line 66, by inserting a new section as follows:

"Sec. 3. K.S.A. 72-5445 is hereby amended to read as follows: 72-5445. (a) Subject to the provisions of K.S.A. 72-5446, and amendments thereto, the provisions of K.S.A. 72-5438 to through 72-5443, inclusive, and amendments thereto, shall apply only to those teachers who have at any time completed two (2) consecutive years of employment in the school district, area vocational-technical school, or community junior college then currently employing such teachers, except where the teacher alleges his or her termination or nonrenewal is the result of his or her having exercised a constitutional right: (1) Teachers who have completed not less than two consecutive years of employment, prior to the effective date of this act, in the school district, area vocational-technical school or community college by which the teacher is currently employed; and (2) teachers who have completed one year of employment, prior to the effective date of this act and, consecutively thereto, one year of employment, after the effective date of this act, in the school district, area vocational-technical school or community college by which the teacher is currently employed; and (3) teachers who have completed not less than three consecutive years of employment, after the effective date of this act, in the school district, area vocational-technical school or community college by which the teacher is currently employed; and (4) teachers who have completed not less than two consecutive years of employment, after the effective date of this act, in the school district, area vocational-technical school or community college by which the teacher is currently employed if at any time prior to the current employment the teacher has completed the years of employment requirement of provisions (1), (2) or (3) in any school district, area vocational-technical school or community

college in this state.

(b) Any board may waive such two-(2)-year-requirement, at any time, the years of employment requirements of subsection (a) for any teachers employed by it who prior to such employment were teachers who had completed not less than two-(2)-consecutive years of employment in any school district or area vocational-technical school or community junior college in this state."

By renumbering sections 3 and 4 as sections 4 and 5, respectively;

Also on page 2, in line 67, by striking "and" and inserting in lieu thereof a comma; also in line 67, after "72-5443", by inserting "and 72-5445";

In the title, in line 16, after "to", by inserting "certain proceedings upon"; in line 17, after the semicolon, by inserting "affecting eligibility therefor;"; also in line 17, by striking "and" and inserting in lieu thereof a comma; in line 18, after "5443", by inserting "and 72-5445"