

SESSION OF 2016

**CONFERENCE COMMITTEE REPORT BRIEF
HOUSE BILL NO. 2622**

As Agreed to March 24, 2016

Brief*

HB 2622 would amend the law concerning higher education. Specifically, the bill would add provisions concerning publication of degree prospectus and the acceptance of College Level Examination Program (CLEP) credits. Additionally, the bill would amend fees charged by the Kansas Board of Regents (Board) and funding of career technical education (CTE) performance-based incentives.

Degree Prospectus

The bill would require the Board to publish a degree prospectus for each undergraduate degree program offered by each postsecondary educational institution featuring information and statistics on the degree program. The information required in the degree prospectus would include: a description of the degree; the average years taken to obtain the degree; the expected number of credit hours required to obtain the degree; the aggregate cost and cost per year incurred by an individual to obtain the degree; the aggregate degree investment incurred by an individual subtracting grants and scholarships awarded; the median wage of recent graduates from such degree program and median wages after five years; the percent of graduates who obtain the degree and become employed in the field from such institution; percentage of graduates who are employed within

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one year from entry of the workforce; and the number of years required to fully recoup the degree investment incurred by an individual.

The bill also would require the Board to make the degree prospectus information available on a link on its official website and require each postsecondary educational institution to make such information available through a link on the home page of each institution's official website. The bill would require the degree prospectus information to be promoted on web pages dedicated to the promotion of a degree program, promoted to each student who inquires about the degree program, and promoted whenever a hard copy of materials concerning the degree program are provided.

The bill would require the degree prospectus information to be provided for any state education institution and municipal university for school year 2016-17 and all years thereafter and would require the information to be provided by community colleges, technical colleges, and institutes of technology for school year 2017-18 and all years thereafter.

CLEP Credits

Further, the bill would require the Board to adopt a policy, on or before January 1, 2017, requiring state educational institutions to award the appropriate number of credit hours to any student enrolled in such institution who has successfully passed an exam administered through CLEP and received a credit-granting recommended score as outlined by the American Council on Education. Commencing July 1, 2017, the bill would require each state educational institution to award credit hours to enrolled students who have successfully passed a CLEP exam in accordance with such policy. The bill would require the following to be included in the policy:

- The number of credit hours to be awarded would be at least equivalent to the minimum number of credit hours granted for the equivalent course offered by the institution;
- An institution would be prohibited from limiting the number of credit hours that may be awarded to a student beyond the limitations placed on such institution by its regional accrediting agency;
- Credit hours awarded for exams in the subject of the student's major course of study would apply to the student's degree program major course of study, and all other credit hours would apply to general degree requirements;
- Credit hours for exams would be listed on the student's transcripts as pass/fail;
- All exams listed on a student's transcript would be included on such transcript if the student transfers to a different postsecondary educational institution and, if the subsequent institution is a state educational institution, the credit hours for such exams would be applied in accordance with the bill's provisions; and
- Any other provisions related to the awarding of credit hours based on CLEP exam results deemed necessary by the Board.

The bill would specify "State Board of Regents" and "state educational institution" would have the same meanings as those terms are defined in the Kansas Higher Education Coordination Act.

CTE Performance-Based Incentives

The bill would amend the postsecondary CTE performance-based incentive funding statute by adding

Johnson County Community College to the definition of “eligible postsecondary educational institution”.

Fees Charged by the Board

Finally, the bill would amend the statute governing fees charged by the Board to amend the scope of fees currently assessed to institutions “domiciled” and having their principal place of business in Kansas, replacing “domiciled” with “chartered, incorporated or otherwise organized under the laws of Kansas.”

The bill would increase the fee charged by the Board for processing and issuing GED credentials from \$15 to \$25. Additionally, the bill would reduce the minimum fees collected for Kansas institutions’ application renewals, including branch campus site renewals, from \$800 to \$500 for non-degree granting institutions and from \$1,600 to \$1,000 for degree granting institutions. The deadline for submitting renewal applications would change to at least 60 days prior to expiration, and the late fee for application renewals would increase from \$125 to \$500.

Out-of-state institution renewal fees would decrease from \$2,400 to \$1,000 for non-degree-granting institutions and from \$3,000 to \$2,000 for degree-granting institutions.

The bill also would repeal the statute creating the Advisory Commission on Private and Out-of-State Postsecondary Educational Institutions, as well as a statute limiting the amounts these institutions could collect prior to students receiving classroom instruction.

Conference Committee Action

The Conference Committee agreed to HB 2622, as amended by the House Committee on Education, and to add to the bill the provisions of House Sub. for SB 193, as

amended by House Committee of the Whole, concerning degree prospectus information; SB 388, as amended by the House Committee on Education, concerning CLEP credits; and HB 2483, as amended by House Committee on Education Budget, concerning CTE performance-based incentives.

Background

Background information for bills contained in the Conference Committee report is outlined below.

HB 2622 Background

In the House Committee on Education, a representative of the Board was the only proponent to HB 2622.

The Senate Committee changed the fee for processing and issuing GED credentials to \$24. As introduced, the bill would have increased the fee from \$15 to \$25.

The fiscal note prepared by the Division of the Budget on the bill, as introduced, estimated the GED fee increase would provide an additional \$56,670 in FY 2017. This amount was based on an estimate of 5,667 duplicate credentials issued in FY 2015 (5,667 times \$10 increased fee). Regarding the fee decreases in the bill, the fiscal note stated the fee fund would decrease by 2.0 percent; however, this would align revenues with Board expenses. Any fiscal effect associated with the bill is not reflected in *The FY 2017 Governor's Budget Report*.

House Sub. for SB 193 Background

In the Senate Committee on Ways and Means, proponent testimony was provided by a representative of the Kansas Policy Institute. He stated the degree prospectus

would allow students and their parents to make informed decisions on their investment in higher education.

Neutral testimony was provided by a representative from the Board appreciating the spirit of the bill but stating the scope would require a major investment of human capital at each institution. He asked to work with the bill author(s) and legislative staff to revise the bill and address concerns in order to ensure complete and accurate information. No opponent testimony was provided.

The Senate Committee amended the bill to add an additional data field of the aggregate degree investment incurred by an individual to obtain the degree by subtracting grants and scholarships awarded and to remove reference to “pay off student loans” and replace with “recoup degree investment.” There also was a deletion of the word “required,” in reference to average number of years to obtain the degree.

The Senate Committee of the Whole made a technical amendment to remove the use of “federal student loan” and instead insert “degree investment” to match all other references that were changed from “student loans” to “degree investment.” There also was an amendment adopted to change the date established in the statute from January 1, 2016, to July 1, 2016, for publication of the prospectus to allow the universities an additional six months to prepare the reports. The amendment also changed one of the required data sets to be published on the prospectus to graduates employed after six months, instead of three months.

The House Committee on Education recommended a substitute bill, which would direct the Board to create the degree prospectus information, rather than each institution.

The House Committee of the Whole amended the bill to include loans in the aggregate degree investment calculation.

The fiscal note prepared by the Division of the Budget on SB 193, as introduced, states the bill would increase

costs for state universities, Washburn University, community colleges, and technical colleges by \$6.6 million. The cost of additional staff salary and benefits is estimated at \$2.0 million and \$272,600 for possible IT system enhancements for the data collection. Additionally, the fiscal note indicates the incentive payments allocated to graduates that provide information would potentially total \$4.3 million if all graduates were provided the incentive.

A revised fiscal note was prepared to provide a range of costs for the incentive payment if provided to between 25.0 and 75.0 percent of the graduates. This cost would range from between \$3.4 and \$5.5 million instead of the \$6.6 million estimate from the original fiscal note.

A fiscal note for the substitute bill is not available.

SB 388 Background

SB 388 was introduced by the Senate Committee on Assessment and Taxation. At the Senate Committee on Education hearing on the bill, a representative of Lumerit Education and a student offered testimony in support of the bill. A representative of the Kansas Association of Community College Trustees offered written proponent testimony. Representatives of the Board and the Kansas Independent College Association offered neutral testimony.

The Senate Committee adopted amendments recommended by the Board to specify the student must have received a credit-granting recommended score for the institution to award credit; clarify the Board policy must include that the number of credit hours to be awarded must be “at least equivalent to” the minimum number of credit hours for the course, which would allow an institution to award more than the minimum number of credit hours offered; add language to clarify the number of credit hours awarded would be the minimum number of credit hours “granted” for the “equivalent” course; and prohibit limiting the

number of credit hours that may be awarded to a student beyond the limitations placed on such institution by its regional accrediting agency.

The House Committee on Education adopted a technical amendment.

The fiscal note prepared by the Division of the Budget for the bill, as introduced, indicates enactment of the bill could reduce tuition revenues as students take the exams and do not take courses, but a precise estimate of the reduction in those revenues cannot be determined.

HB 2483 Background

At the House Committee on Education Budget hearing, testimony was provided on behalf of Johnson County Community College, the Kansas Association of Community Colleges, and the Board as proponents to add Johnson County to the list of participants in the GED Accelerator program. There was no other testimony.

HB 2483, as originally written, would have added language eliminating the requirement that an individual be concurrently enrolled in a CTE program when that individual received a GED credential in order for an eligible postsecondary educational institution to receive the incentive payment. The Committee removed the language, reverting to the statutorily required concurrent enrollment.

The fiscal note prepared by the Division of the Budget, on the original bill, indicates a fiscal impact in FY 2017 of \$13,804,000. (As noted above, the original bill would have eliminated the dual enrollment requirement, which would have increased the cost of the bill to the State General Fund.) No fiscal note was available on the amended bill.

Degree prospectus; CLEP credits; postsecondary career technical education; performance-based incentive funding; fees charged by the Kansas Board of Regents

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