



## KANSAS BOARD OF REGENTS

### Senate Education Committee HB 2213 Private and Postsecondary Education Fees Sunset and HB 2212 Renewal of the Postsecondary Technical Education Authority

March 16, 2017

At its March 13, 2017 hearing, the Senate Education Committee heard testimony from the Kansas Board of Regents requesting the removal of the sunset clause from the private postsecondary fee statute (K.S.A. 2016 Supp. 74-32,181).

During the hearing, the Committee requested the following information:

1. Five years of revenues and expenditures for the private postsecondary unit.

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Revenue	\$1,545,903	\$1,429,554	\$1,916,791	\$1,874,886	\$1,311,549
Expenditures	\$588,979	\$704,817	\$922,958	\$1,118,123	\$783,689
Approved Institutions	187	206	215	221	179

2. Details of any recent transfers authorized by the Legislature from the Private Postsecondary Fee Fund to the State General Fund.

- The 2013 Legislature authorized \$1.0 million to be transferred from the Private Postsecondary Fee Fund to the State General Fund. The transfer was made in FY 2014.

3. The current balance of the Private Postsecondary Fee Fund.

- As of March 13, 2017, the current balance in the Fund is \$3.6 million, with over three months of operating expenses yet to be made.

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

From FY 2008 to FY 2015, there was a 96% increase in private and out-of-state postsecondary institutions operating in Kansas because such institutions perceived the federal regulatory environment supported expansion. However, from FY 2015 to FY 2017, the number of schools operating in Kansas

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declined by 39% due to changes in the federal regulatory environment. This underscores how the revenues of the private postsecondary unit can be volatile, and carry-over is necessary to accommodate the ever-changing landscape. One notable expense incurred by the Board is an institution's closure, as the agency is required to assume possession of student records and at times must digitize those records, under secure conditions.

At the March 13, 2017 hearing, the Committee also heard testimony regarding the renewal of the Postsecondary Technical Education Authority (TEA) for another five years. The TEA serves an important role on behalf of the Board of Regents in its coordination of the state's two-year colleges.

These community and technical colleges play a key role in meeting the employment needs of our state. Individuals representing business and industry who serve on the TEA provide an important relationship that ties our educational programs with business and industry, working to address the state's workforce needs. As part of this effort, the TEA works to align ever changing educational offerings within the system, expanding system participation, advocating for technical education funding, pursuing legislation and policy changes to enhance system growth, and measuring system effectiveness. Recent efforts include tying industry certifications with academic credentials, increasing transparency of the cost/benefit of advanced education, expanding business and college partnerships, and streamlining the data reporting and program approval processes. As the state's economic situation and workforce demographics continue to change, these TEA efforts will continue to be critical to make sure the employment needs of the state's economy are met.

Typically, the TEA meets ten times a year, with six of those meetings in person at the Board office in Topeka. Based on the most recent meeting of this body (January 2017), with full attendance, it is estimated that if two in person meetings were canceled, at most \$6,460 would be saved.