

SESSION OF 2018

**CONFERENCE COMMITTEE REPORT BRIEF
HOUSE BILL NO. 2542**

As Agreed to April 4, 2018

Brief*

HB 2542 would amend statutes for fees collected by the Kansas Board of Regents (KBOR) and performance-based budgeting requirements.

Fees Collected by KBOR

The bill would remove the June 30, 2018, sunset on a statute authorizing the KBOR to fix, charge, and collect fees for state institutions and institutions domiciled or having their principal place of business outside the state of Kansas. The bill would also remove fees concerning program modification; on-site branch campus reviews; renewal of registration of a representative; and changes in institution profiles. Finally, the bill would add “up to” before the percentage of gross tuition allowed to be charged for renewal fees.

This portion of the bill would be in effect from and after June 29, 2018, and upon publication in the *Kansas Register*.

*Conference committee report briefs are prepared by the Legislative Research Department and do not express legislative intent. No summary is prepared when the report is an agreement to disagree. Conference committee report briefs may be accessed on the Internet at <http://www.kslegislature.org/klrd>

Performance-Based Budgeting Requirements

The bill would also exempt postsecondary educational institutions that have implemented a performance agreement with KBOR from the performance-based budgeting requirements.

This portion of the bill would be in effect after its publication in the statute book.

Conference Committee Action

The Conference Committee agreed to insert the contents of HB 2644, as recommended by the House Committee on Higher Education Budget (performance-based budgeting requirements) into HB 2542, as amended by the Senate Committee on Education (fees collected by KBOR).

Background

The bill contains the contents of HB 2542, as amended by the Senate Committee on Education, and HB 2644, as recommended by the House Committee on Higher Education Budget. The background for each bill is detailed below.

HB 2542 (Fees Collected by KBOR)

HB 2542 was introduced by the House Committee on Education at the request of Representative Schreiber. In the House Committee hearing, a representative of KBOR explained removal of the sunset would allow KBOR to continue to charge fees sufficient to cover costs of regulating private and out-of-state postsecondary institutions. Additionally, the representative indicated fees related to changes to an institution's name, location, ownership, representative, and programs can be eliminated as the changes are minimal and updates will now be part of the

annual renewal application. Further, fees are not charged for the on-site campus branch review; thus, KBOR recommends elimination of that fee. Finally, the representative explained adding “up to” before the percentage charged as part of the annual renewal application would give KBOR flexibility to adjust the percentage within statutory limits to correspond with the workload associated with KBOR’s regulatory duties.

No other testimony was provided.

In the Senate Committee on Education hearing, staff noted that because the statute was scheduled to sunset June 30, 2018, the Senate Committee may want to change the effective date of the bill from upon publication in the statute book to a date prior to June 30. A representative of KBOR appeared in support of the bill. No other testimony was provided.

The Senate Committee amended the bill so it would be in effect from and after June 29, 2018, and upon its publication in the *Kansas Register*. [Note: The Conference Committee agreed to include this provision.]

According to the fiscal note prepared by the Division of the Budget, KBOR estimates enactment of HB 2542 would reduce annual fees by \$3,870 beginning in FY 2019. The testimony of the KBOR representative to the House Committee on Education indicates this reduction is not expected to impact the unit’s ability to operate. Any fiscal effect associated with enactment of the bill is not reflected in *The FY 2019 Governor’s Budget Report*.

HB 2644 (Performance-Based Budgeting)

HB 2644 was introduced by the House Committee on Higher Education Budget by Representative Jones at the request of KBOR. In the House Committee on Higher Education Budget hearing, a KBOR representative provided testimony describing the current Kansas Higher Education

Coordination Act and the plans prepared commonly known as performance agreements. The representative stated that, due to the complexity of the intertwined classes and faculty within departments and programs used for budgeting purposes, rather than instituting a new performance review process, making use of the system already in place would be the most efficient use of university resources. No other testimony was provided.

The fiscal note prepared by the Division of the Budget states enactment of HB 2644 would have no direct effect on the expenditures or revenues of state universities, but it would conserve staff time by not having to complete the detailed work associated with the performance-based budgeting process.

Postsecondary education, out-of-state postsecondary education institutions, fees, sunset, Kansas Board of Regents, performance-based budgeting

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