

Senate Substitute for HOUSE BILL No. 2515

By Committee on Education

3-18

1 AN ACT concerning postsecondary education; relating to the state board
2 of regents; creating the Kansas reinvest in postsecondary education act;
3 regulating private and out-of-state postsecondary educational
4 institutions; clarifying the authority of healing arts schools exempted
5 from the private and out-of-state postsecondary educational institutions
6 act to practice healing arts; amending K.S.A. 65-2877a, as amended by
7 section 5 of chapter 52 of the 2019 Session Laws of Kansas, 74-32,162,
8 74-32,163, 74-32,164, 74-32,165, 74-32,167, 74-32,168, 74-32,169,
9 74-32,170, 74-32,171, 74-32,172, 74-32,173, 74-32,175, 74-32,177,
10 74-32,178, 74-32,181, 74-32,182, 74-32,184, 74-32,194, 74-32,417 and
11 74-32,419 and K.S.A. 2019 Supp. 17-2707 and 17-7668 and repealing
12 the existing sections.
13

14 *Be it enacted by the Legislature of the State of Kansas:*

15 New Section 1. The provisions of sections 1 through 8 et seq., and
16 amendments thereto, shall be known and may be cited as the Kansas
17 reinvest in postsecondary education (RISE) act.

18 New Sec. 2. As used in the RISE act:

19 (a) "Baccalaureate degree completion program" means the third and
20 fourth years, or up to the last 72 credit hours, of a baccalaureate degree
21 program approved by the board for the Kansas RISE scholarship program
22 whereby a student holding an associate degree or completing one-half of
23 such baccalaureate program may obtain a bachelor's degree from a four-
24 year eligible postsecondary educational program.

25 (b) "Board" means the state board of regents provided for in the
26 constitution of this state and described in article 32 of chapter 74 of the
27 Kansas Statutes Annotated, and amendments thereto.

28 (c) "Continuously enrolled" means a student is enrolled in a minimum
29 of six credit hours in each of the fall and spring semesters of a single
30 academic year until such student has graduated or completed the eligible
31 postsecondary education program. Enrollment during the summer is not
32 required to be "continuously enrolled."

33 (d) "Eligible high school" means any public or private high school
34 located in Kansas.

35 (e) "Eligible postsecondary educational institution" means any public
36 university, municipal university, community college, technical college or

1 not-for-profit private postsecondary educational institution. An "eligible
2 postsecondary educational institution" shall be located in Kansas.

3 (f) "Eligible postsecondary education program" means an associate
4 degree program, a career and technical education program or a
5 baccalaureate degree completion program that is designated by the board
6 pursuant to section 3, and amendments thereto, and is offered by an
7 eligible postsecondary educational institution whereby a student can obtain
8 a degree or an industry-recognized certificate in a technical profession or
9 complete the third and fourth year of a baccalaureate degree.

10 (g) "Four-year eligible postsecondary educational institution" means
11 an eligible postsecondary educational institution that offers baccalaureate
12 degrees in addition to associate degrees or industry-recognized certificates
13 in technical professions.

14 (h) "Gift aid" means financial aid received from a federal Pell grant
15 and any other scholarship or financial assistance awards that do not require
16 repayment.

17 (i) "Military servicemember" means the same as in K.S.A. 2019
18 Supp. 48-3406, and amendments thereto.

19 (j) "Private postsecondary educational institution" means an entity
20 that is not a public institution, and that:

21 (1) Is a business enterprise operated on a not-for-profit basis;

22 (2) has a physical presence within the state of Kansas;

23 (3) offers a course or courses of instruction or study through
24 classroom contact or by distance education, or both, for the purpose of
25 training or preparing persons for a field of endeavor in a business, trade,
26 technical or industrial occupation, or that offers a course or courses leading
27 to an academic degree;

28 (4) is accredited and in good standing with a nationally recognized
29 accrediting agency for higher education in the United States; and

30 (5) offers a baccalaureate degree, an associate degree or an industry-
31 recognized certificate in a technical profession.

32 (k) "Semester" means one of two principal terms, when there are only
33 two principal terms in the academic year, whether or not there are other
34 shorter terms during the same academic year.

35 New Sec. 3. (a) There is hereby established the Kansas RISE
36 scholarship program. The state board of regents shall administer such
37 program, and shall:

38 (1) Publicize Kansas RISE scholarships, including the list of eligible
39 postsecondary education programs and information regarding application
40 procedures and deadlines;

41 (2) review and approve or deny applications for a Kansas RISE
42 scholarship;

43 (3) request any information from an eligible postsecondary

1 educational institution the board deems necessary for the administration of
2 this act;

3 (4) allocate funds to eligible postsecondary educational institutions
4 for the purpose of awarding Kansas RISE scholarships;

5 (5) annually collaborate with the department of commerce and
6 Kansas business and industry to identify five statewide job fields and
7 pathways and up to five job fields and pathways that are not included in
8 the statewide list but that exist within each Kansas department of
9 commerce region and are necessary to meet the diverse needs of
10 employers in each region. The identified job fields and pathways shall be
11 of critical need or high wage;

12 (6) designate eligible postsecondary education programs that
13 correspond to the job fields and pathways identified in paragraph (5);

14 (7) establish requirements for mentoring and guidance sessions for
15 students participating in the program; and

16 (8) annually evaluate the Kansas RISE scholarship program and
17 prepare and submit reports in accordance with section 8, and amendments
18 thereto.

19 (b) On or before January 1, 2021, the board shall adopt rules and
20 regulations for the implementation and administration of this act,
21 including, but not limited to:

22 (1) Deadlines for applications to be submitted;

23 (2) appeal procedures for denial or revocation of a scholarship;

24 (3) procedures for requesting and approving medical and personal
25 absences from an eligible postsecondary education program;

26 (4) the terms, conditions and requirements that shall be incorporated
27 into each Kansas RISE scholarship agreement; and

28 (5) criteria for determining whether any student who received a
29 Kansas RISE scholarship fulfilled the requirements of the Kansas RISE
30 scholarship agreement as provided in section 7, and amendments thereto.

31 New Sec. 4. To be eligible for a Kansas RISE scholarship, a student
32 shall:

33 (a) Be a Kansas resident;

34 (b) (1) be enrolled in grade 12 in an eligible high school;

35 (2) have graduated from an eligible high school not less than five
36 years prior to applying for a Kansas RISE scholarship;

37 (3) have been in the custody of the secretary for children and families
38 as a minor pursuant to the revised Kansas code for care of children at any
39 time while enrolled in any of the grades six through 12;

40 (4) have obtained a general educational development (GED)
41 certificate or high school equivalency certificate; or

42 (5) be a dependent child of a military servicemember on active duty
43 assigned to another state who is enrolled in grade 12, has graduated high

1 school within the last five years or met the requirements of paragraph (3)
2 or (4);

3 (c) complete the required scholarship application on such forms and
4 in such manner as established by the board;

5 (d) complete the free application for federal student aid for the
6 academic year in which the student seeks to receive a Kansas RISE
7 scholarship;

8 (e) participate in mentoring and guidance sessions as required by the
9 board; and

10 (f) enroll in an eligible postsecondary education program for the fall
11 semester immediately following submission of the student's scholarship
12 application.

13 New Sec. 5. (a) Subject to appropriations, the amount of a Kansas
14 RISE scholarship for a student for each semester shall be determined
15 pursuant to subsection (b). During any fiscal year, the appropriation
16 pursuant to this section shall not exceed \$10,000,000.

17 (b) (1) For a student enrolled in an eligible postsecondary education
18 program offered by a two-year eligible postsecondary educational
19 institution, the scholarship amount shall be:

20 (A) The aggregate amount of tuition and required fees for the eligible
21 postsecondary education program for the semester in which the student is
22 enrolled less the aggregate amount of all other gift aid awarded to such
23 student for such semester; plus

24 (B) a stipend to pay for all, or a portion of, the cost of books and
25 materials for such semester.

26 (2) (A) For a student enrolled in an eligible postsecondary education
27 program offered by a four-year eligible postsecondary educational
28 institution, the scholarship amount shall be the average cost of tuition,
29 required fees and the cost of books and materials for such eligible
30 postsecondary education program when offered by a two-year eligible
31 postsecondary educational institution less the aggregate amount of all
32 other gift aid awarded to such student for such semester.

33 (B) The amount of a Kansas RISE scholarship for a student enrolled
34 in an eligible postsecondary education program offered by a four-year
35 eligible postsecondary educational institution shall be funded based on \$1
36 from such four-year eligible postsecondary educational institution's
37 endowment or other scholarship granting fund for every \$1 paid by the
38 board pursuant to this act.

39 New Sec. 6. (a) A student who has been approved for a Kansas RISE
40 scholarship shall continue to receive a Kansas RISE scholarship for up to
41 72 credit hours or two years from the date such student enrolls in an
42 eligible postsecondary education program provided such student:

43 (1) Is continuously enrolled in such eligible postsecondary education

1 program;

2 (2) maintains satisfactory academic progress as determined by the
3 eligible postsecondary educational institution or earns a minimum grade
4 point average of 2.0 in each semester; and

5 (3) continues to participate in mentoring and guidance sessions as
6 required by the board.

7 (b) A student who has an approved medical or personal leave of
8 absence from an eligible postsecondary educational institution may
9 continue to receive such student's Kansas RISE scholarship upon resuming
10 such student's education at an eligible postsecondary educational
11 institution, provided, such student continues to satisfy all applicable
12 eligibility requirements. The aggregate amount of approved leave for a
13 student shall not exceed six months, except as provided in rules and
14 regulations adopted by the board.

15 New Sec. 7. (a) As a condition of receiving a Kansas RISE
16 scholarship, the student shall enter into a Kansas RISE scholarship
17 agreement with the eligible postsecondary educational institution that
18 awarded the scholarship to such student. Such agreement shall require
19 each student who receives a Kansas RISE scholarship to:

20 (1) Enroll at the eligible postsecondary education institutional that
21 awarded the scholarship and engage in and complete the eligible
22 postsecondary educational program;

23 (2) within six months of completion of an eligible postsecondary
24 education program, reside and commence work in the state of Kansas for
25 three consecutive years;

26 (3) maintain records and make reports to the board on such forms and
27 in such manner as required by the board to document the satisfaction of the
28 requirements of this act; and

29 (4) upon failure to satisfy the requirements of a Kansas RISE
30 scholarship agreement, repay the scholarship amount the student received
31 under the Kansas RISE scholarship program as provided in subsection (b).

32 (b) (1) Except as provided in subsection (c), if any student who
33 receives a Kansas RISE scholarship fails to satisfy the requirements of a
34 Kansas RISE scholarship agreement, such student shall pay an amount
35 equal to the total amount of scholarship moneys received by such student
36 that is financed by the state of Kansas plus accrued interest at a rate
37 equivalent to the interest rate applicable to loans made under the federal
38 PLUS program at the time such student first received a scholarship.
39 Installment payments of such amounts may be made in accordance with
40 rules and regulations of the board. Such installment payments shall begin
41 six months after the date such student fails to satisfy the requirements of
42 the Kansas RISE scholarship agreement, as determined by the board. All
43 moneys received pursuant to this subsection shall be remitted to the state

1 treasurer in accordance with the provisions of K.S.A. 75-4215, and
2 amendments thereto. Upon receipt of each such remittance, the state
3 treasurer shall deposit the entire amount in the state treasury to the credit
4 of the state general fund.

5 (2) The board is authorized to turn any repayment account arising
6 under this act to a designated loan servicer or collection agency, the state
7 not being involved other than to receive payments from the loan servicer
8 or collection agency at the interest rate prescribed under this subsection.

9 (c) Any requirement under a Kansas RISE scholarship agreement
10 entered into pursuant to this section may be postponed for good cause as
11 determined by the state board of regents.

12 (d) A student who received a Kansas RISE scholarship and entered
13 into a Kansas RISE scholarship agreement satisfies the requirements under
14 such agreement when such student:

15 (1) Completes the requirements of such agreement;

16 (2) fails to satisfy the requirements for completion of the educational
17 requirements after making the best effort possible to do so;

18 (3) is unable to obtain employment and continue in such employment
19 after making the best effort possible to do so;

20 (4) is unable to satisfy the requirements due to permanent physical
21 disability;

22 (5) dies; or

23 (6) is unable to meet the residency requirement of subsection (a)(2).

24 New Sec. 8. (a) On or before January 15, 2022, and each January 15
25 thereafter, the board shall prepare and submit a report to the legislature and
26 the governor on the Kansas RISE scholarship program. The report shall
27 provide the following information for the immediately preceding academic
28 year:

29 (1) The number of students who applied for a Kansas RISE
30 scholarship, the total number of students receiving a scholarship and the
31 number of students receiving a scholarship disaggregated by those students
32 who are eligible pursuant to section 4(b)(1), (2), (3), (4) and (5), and
33 amendments thereto;

34 (2) the total amount of scholarship moneys awarded and the amount
35 of scholarship moneys awarded disaggregated by those students who are
36 eligible pursuant to section 4(b)(1), (2), (3), (4) and (5), and amendments
37 thereto;

38 (3) the number of students who completed an eligible postsecondary
39 education program; and

40 (4) the number of students who became employed within six months
41 after completion of an eligible postsecondary education program.

42 (b) On or before January 15, 2022, the board shall prepare and submit
43 a report to the legislature and the governor that evaluates and makes

1 recommendations regarding funding for Kansas RISE scholarships under
2 the provisions of section 5(c), and amendments thereto.

3 New Sec. 9. (a) Any institution that is exempt from the private and
4 out-of-state postsecondary educational institution act pursuant to K.S.A.
5 74-32,164(e), and amendments thereto, may apply to the state board for a
6 certificate of approval under the provisions of such act if the institution is
7 required to obtain a certificate of approval from the state board in order to
8 demonstrate it is legally authorized to provide an educational program
9 under 34 C.F.R. § 600.9, as in effect on July 1, 2020, for participation in
10 programs authorized by the higher education act of 1965.

11 (b) Any institution issued a certificate of approval by the state board
12 under this section shall be subject to the jurisdiction of the state board and
13 the private and out-of-state postsecondary educational institution act.

14 (c) Any institution issued a certificate of approval under this section
15 may return to exempt status under the private and out-of-state
16 postsecondary educational institution act by not applying to renew the
17 certificate of approval. Any institution that returns to exempt status, shall
18 not be relieved of any liability for indemnification or any penalty for
19 noncompliance with certification standards during the period of the
20 institution's approved status.

21 New Sec. 10. (a) Each certificate of approval shall be issued to the
22 owner of the institution applying for the certificate of approval. The
23 certificate of approval shall not be transferable to a new owner. Whenever
24 a change of ownership occurs as a result of death, a court order or
25 operation of law, the new owner shall immediately apply for a new
26 certificate of approval. If a change in ownership occurs in any other
27 circumstance, the new owner shall apply for a new certificate of approval
28 at least 60 days prior to the change of ownership.

29 (b) If there is a change in the ownership of an institution and, at the
30 same time, there are changes in the institution's programs of instruction,
31 location, entrance requirements or other changes, the institution shall
32 submit an application for an initial certificate of approval and pay all
33 applicable fees required for an initial application.

34 (c) The state board may adopt rules and regulations to ensure orderly
35 transition of an institution to a new owner, including, but not limited to,
36 requiring a new owner to satisfy the following requirements:

37 (1) Maintain and service all student records that were the
38 responsibility of the prior owner;

39 (2) resolve all student complaints that were the responsibility of the
40 prior owner and filed with the state board prior to the final approval for
41 change of ownership; and

42 (3) honor the terms of student enrollment agreements, institutional
43 scholarships and grants for all students enrolled and taking classes at the

1 time of the change of ownership.

2 New Sec. 11. If a court of competent jurisdiction appoints a receiver
3 for an institution holding a certificate of approval, the receiver shall
4 provide the state board notice of the appointment and copies of all court
5 orders and reports required from the receiver by the court. The court-
6 appointed receiver shall comply with all provisions of the Kansas private
7 and out-of-state postsecondary educational institution act.

8 New Sec. 12. (a) In addition to, or as an alternative to any penalty
9 that may be imposed pursuant to this act, the state board, after proper
10 notice and an opportunity to be heard, may assess a civil fine against an
11 institution with a certificate of approval for a violation of this act or any
12 rules and regulations adopted pursuant to this act. For the first violation,
13 the amount of such fine shall be up to 1% of the institution's tuition
14 revenue, but shall not be less than \$125 and not more than \$15,000. For
15 any subsequent violation, the amount of such fine shall be up to 2% of the
16 institution's tuition revenue, but shall not be less than \$250 and not more
17 than \$20,000. On and after July 1, 2021, any such fines and administrative
18 costs for collecting such fines may be assessed against the institution's
19 surety bond.

20 (b) All moneys collected pursuant to this section shall be remitted to
21 the state treasurer in accordance with K.S.A. 75-4215, and amendments
22 thereto. Upon receipt of each such remittance, the state treasurer shall
23 deposit the entire amount in the state treasury to the credit of the state
24 general fund.

25 (c) Fines assessed under this section shall be considered
26 administrative fines pursuant to 11 U.S.C. § 523.

27 Sec. 13. K.S.A. 2019 Supp. 17-2707 is hereby amended to read as
28 follows: 17-2707. As used in this act, unless the context clearly indicates
29 that a different meaning is intended:

30 (a) "Professional corporation" means a corporation organized under
31 this act.

32 (b) "Professional service" means the type of personal service
33 rendered by a person duly licensed, registered or certified by this state as a
34 member of any of the following professions, each paragraph constituting
35 one type:

- 36 (1) A certified public accountant;
- 37 (2) an architect;
- 38 (3) an attorney-at-law;
- 39 (4) a chiropractor;
- 40 (5) a dentist;
- 41 (6) an engineer;
- 42 (7) an optometrist;
- 43 (8) an osteopathic physician or surgeon;

- 1 (9) a physician, surgeon or doctor of medicine;
 2 (10) a veterinarian;
 3 (11) a podiatrist;
 4 (12) a pharmacist;
 5 (13) a land surveyor;
 6 (14) a licensed psychologist;
 7 (15) a specialist in clinical social work;
 8 (16) a licensed physical therapist;
 9 (17) a landscape architect;
 10 (18) a registered professional nurse;
 11 (19) a real estate broker or salesperson;
 12 (20) a clinical professional counselor;
 13 (21) a geologist;
 14 (22) a clinical psychotherapist;
 15 (23) a clinical marriage and family therapist;
 16 (24) a licensed physician assistant;
 17 (25) a licensed occupational therapist;
 18 (26) a licensed audiologist;
 19 (27) a licensed speech-pathologist; and
 20 (28) a licensed naturopathic doctor.
- 21 (c) "Regulating board" means the court, board or state agency ~~which~~
 22 *that* is charged with the licensing, registering or certifying and regulation
 23 of the practice of the profession ~~which~~ *that* the professional corporation is
 24 organized to render.
- 25 (d) "Qualified person" means:
- 26 (1) Any natural person licensed, registered or certified to practice the
 27 same type of profession ~~which~~ *that* any professional corporation is
 28 authorized to practice;
- 29 (2) the trustee of a trust ~~which~~ *that* is a qualified trust under
 30 ~~subsection (a) of section 401(a) of the federal internal revenue code, as in~~
 31 ~~effect on January 1, 2004, or of a contribution plan~~ ~~which~~ *that* is a
 32 qualified employee stock ownership plan under ~~subsection (a) of section~~
 33 ~~409A(a) of the federal internal revenue code, as in effect on January 1,~~
 34 ~~2004; or~~
- 35 (3) the trustee of a revocable living trust established by a natural
 36 person who is licensed, registered or certified to practice the type of
 37 profession ~~which~~ *that* any professional corporation is authorized to
 38 practice, if the terms of such trust provide that such natural person is the
 39 principal beneficiary and sole trustee of such trust and such trust does not
 40 continue to hold title to professional corporation stock following such
 41 natural person's death for more than a reasonable period of time necessary
 42 to dispose of such stock; *or*
- 43 (4) *a healing arts school clinic authorized to perform professional*

1 *services in accordance with K.S.A. 65-2877a, and amendments thereto.*

2 Sec. 14. K.S.A. 2019 Supp. 17-7668 is hereby amended to read as
3 follows: 17-7668. (a) Unless otherwise specifically prohibited by law, a
4 limited liability company may carry on any lawful business, purpose or
5 activity, whether or not for profit with the exception of the business of
6 granting policies of insurance, or assuming insurance risks or banking as
7 defined in K.S.A. 9-702, and amendments thereto.

8 (b) A limited liability company shall possess and may exercise all the
9 powers and privileges granted by this act or by any other law or by its
10 operating agreement, together with any powers incidental thereto,
11 including such powers and privileges as are necessary or convenient to the
12 conduct, promotion or attainment of the business, purposes or activities of
13 the limited liability company.

14 (c) A limited liability company organized and existing under the
15 Kansas revised limited liability company act or otherwise qualified to do
16 business in Kansas may have and exercise all powers ~~which~~ *that* may be
17 exercised by a Kansas professional association or professional corporation
18 under the professional corporation law of Kansas, including employment
19 of professionals to practice a profession, which shall be limited to the
20 practice of one profession, except as provided in K.S.A. 17-2710, and
21 amendments thereto.

22 (d) Only a qualified person may be a member of a limited liability
23 company organized to exercise powers of a professional association or
24 professional corporation. No membership may be transferred to another
25 person until there is presented to such limited liability company a
26 certificate by the licensing body, as defined in K.S.A. 74-146, and
27 amendments thereto, stating that the person to whom the transfer is made
28 or the membership issued is duly licensed to render the same type of
29 professional services as that for which the limited liability company was
30 organized.

31 (e) As used in the section, "qualified person" means:

32 (1) Any natural person licensed to practice the same type of
33 profession ~~which~~ *that* any professional association or professional
34 corporation is authorized to practice;

35 (2) the trustee of a trust ~~which~~ *that* is a qualified trust under
36 ~~subsection (a) of section 401(a) of the federal internal revenue code of~~
37 1986, as in effect; on July 1, 1999, or of a contribution plan ~~which~~ *that* is a
38 qualified employee stock ownership plan under ~~subsection (a) of section~~
39 409A(a) of the federal internal revenue code of 1986, as in effect; on July
40 1, 1999;

41 (3) the trustee of a revocable living trust established by a natural
42 person who is licensed to practice the type of profession ~~which~~ *that* any
43 professional association or professional corporation is authorized to

1 practice, if the terms of such trust provide that such natural person is the
2 principal beneficiary and sole trustee of such trust and such trust does not
3 continue to hold title to membership in the limited liability company
4 following such natural person's death for more than a reasonable period of
5 time necessary to dispose of such membership;

6 (4) a Kansas professional corporation or foreign professional
7 corporation in which at least one member or shareholder is authorized by a
8 licensing body, as defined in K.S.A. 74-146, and amendments thereto, to
9 render in this state a professional service permitted by the articles of
10 organization;~~or~~

11 (5) a general partnership or limited liability company, if all partners
12 or members thereof are authorized to render the professional services
13 permitted by the articles of organization of the limited liability company
14 formed pursuant to this section and in which at least one partner or
15 member is authorized by a licensing authority of this state to render in this
16 state the professional services permitted by the articles of organization of
17 the limited liability company; *or*

18 (6) *a healing arts school clinic authorized to perform professional*
19 *services in accordance with K.S.A. 65-2877a, and amendments thereto.*

20 (f) Nothing in this act shall restrict or limit in any manner the
21 authority and duty of any licensing body, as defined in K.S.A. 74-146, and
22 amendments thereto, for the licensing of individual persons rendering a
23 professional service or the practice of the profession ~~which~~ *that* is within
24 the jurisdiction of the licensing body, notwithstanding that the person is an
25 officer, manager, member or employee of a limited liability company
26 organized to exercise powers of a professional association or professional
27 corporation. Each licensing body may adopt rules and regulations
28 governing the practice of each profession as are necessary to enforce and
29 comply with this act and the law applicable to each profession.

30 (g) A licensing body, as defined in K.S.A. 74-146, and amendments
31 thereto, the attorney general or district or county attorney may bring an
32 action in the name of the state of Kansas in quo warranto or injunction
33 against a limited liability company engaging in the practice of a profession
34 without complying with the provisions of this act.

35 (h) Notwithstanding any provision of this act to the contrary, without
36 limiting the general powers enumerated in subsection (b), a limited
37 liability company shall, subject to such standards and restrictions, if any,
38 as are set forth in its operating agreement, have the power and authority to
39 make contracts of guaranty and suretyship and enter into interest rate,
40 basis, currency, hedge or other swap agreements or cap, floor, put, call,
41 option, exchange or collar agreements, derivative agreements, or other
42 agreements similar to any of the foregoing.

43 (i) Unless otherwise provided in an operating agreement, a limited

1 liability company has the power and authority to grant, hold or exercise a
2 power of attorney, including an irrevocable power of attorney.

3 Sec. 15. K.S.A. 65-2877a, as amended by section 5 of chapter 52 of
4 the 2019 Session Laws of Kansas, is hereby amended to read as follows:
5 65-2877a. No provision of law prohibiting practice of the healing arts by a
6 ~~general corporation~~ *business organization* shall apply to a healing arts
7 school *clinic under the supervision of a person licensed to practice the*
8 *same branch of the healing arts if such healing arts school is:*

9 (a) Approved by the board ~~if the healing arts school is;~~

10 (b) a non-profit entity under section 501(c)(3) of the internal revenue
11 code of 1986; ~~is; and~~

12 (c) approved by the state board of regents, ~~and as part of its academic~~
13 ~~requirements provides clinical training to its students under the supervision~~
14 ~~of persons who are licensed to practice a branch of the healing arts in this~~
15 ~~state or exempt from such approval under K.S.A. 74-32,164, and~~
16 ~~amendments thereto.~~

17 Sec. 16. K.S.A. 74-32,162 is hereby amended to read as follows: 74-
18 32,162. K.S.A. 74-32,163 through 74-32,184, and amendments thereto,
19 *and sections 9 through 12, and amendments thereto*, shall be known and
20 may be cited as the Kansas private and out-of-state postsecondary
21 educational institution act.

22 Sec. 17. K.S.A. 74-32,163 is hereby amended to read as follows: 74-
23 32,163. As used in the Kansas private and out-of-state postsecondary
24 educational institution act:

25 (a) "Academic degree" means any associate, bachelor's, professional,
26 master's, specialist or doctoral degree.

27 (b) "Accreditation" means an accreditation by an agency recognized
28 by the United States department of education.

29 (c) "Branch campus" means any subsidiary place of business
30 maintained within the state of Kansas by an institution at a site ~~which that~~
31 is separate from the site of the institution's principal place of business and
32 ~~at which where~~ the institution offers a course or courses of instruction or
33 study identical to the course or courses of instruction or study offered by
34 the institution at its principal place of business.

35 (d) "Distance education" means ~~any course delivered primarily by use~~
36 ~~of correspondence study, audio, video or computer technologies~~
37 *instruction offered by any means in which the student and faculty member*
38 *are in separate physical locations. "Distance education" includes, but is*
39 *not limited to, online, interactive video and correspondence courses or*
40 *programs.*

41 (e) "Out-of-state postsecondary educational institution" means a
42 postsecondary educational institution, *public or private, for-profit or not-*
43 *for-profit, that is chartered, incorporated or otherwise organized under the*

1 laws of any jurisdiction other than the state of Kansas.

2 (f) "Institution" means an out-of-state or private postsecondary
3 educational institution.

4 (g) "Institution employee" means any person, other than an owner,
5 who directly or indirectly receives compensation from an institution for
6 services rendered.

7 (h) "Owner of an institution" means:

8 (1) In the case of an institution owned by ~~an individual, that~~
9 ~~individual~~ *one or more individuals, those individuals;*

10 (2) in the case of an institution owned by a partnership, all full, silent
11 and limited partners;

12 (3) in the case of an institution owned by a corporation, the
13 corporation, its directors, officers and each shareholder owning shares of
14 issued and outstanding stock aggregating at least 10% of the total of the
15 issued and outstanding shares; and

16 (4) in the case of an institution owned by a limited liability company,
17 the company, its managers and all its members.

18 (i) "Person" means an individual, firm, partnership, association ~~or~~,
19 corporation, *receiver or trustee.*

20 (j) "Physical presence" means:

21 (1) ~~The employment in Kansas of a Kansas resident for the purpose~~
22 ~~of administering, coordinating, teaching, training, tutoring, counseling,~~
23 ~~advising or any other activity on behalf of the institution; or~~ *Operating an*
24 *instructional site in Kansas, including, but not limited to:*

25 (A) *Establishing a physical location in Kansas where students receive*
26 *instruction; or*

27 (B) *delivering a course or program that requires students*
28 *participating in that course or program to physically meet at the same*
29 *time and place in Kansas to receive instruction;*

30 (2) ~~The delivery of, or the intent to deliver, instruction in Kansas with~~
31 ~~the assistance from any entity within the state in delivering the instruction~~
32 ~~including, but not limited to, a cable television company or a television~~
33 ~~broadcast station that carries instruction sponsored by the~~
34 ~~institution.~~ *delivering any distance education course to any student who*
35 *remains in Kansas while participating in such course; or*

36 (3) *maintaining an administrative office in Kansas for the purpose of*
37 *fulfilling the administrative functions of delivering instruction, whether*
38 *face-to-face or via distance education.*

39 (k) "Private postsecondary educational institution" means an entity
40 ~~which that:~~

41 (1) ~~Is a business enterprise, whether operated on a profit for-profit or~~
42 ~~not-for-profit basis, which that has a physical presence within the state of~~
43 ~~in Kansas or which solicits business within the state of Kansas;~~

1 (2) offers a course or courses of instruction or study through
 2 classroom contact or by distance education, or both, for the purpose of
 3 training or preparing ~~persons~~ *individuals* for a field of endeavor in a
 4 business, trade, technical or industrial occupation, or ~~which~~ offers a course
 5 or courses leading to an academic degree; and

6 (3) is not specifically exempted by the provisions of this act.

7 (l) "*Provisional certificate*" means a certificate of approval that can
 8 be awarded to a degree-granting institution seeking to establish a physical
 9 presence in Kansas but is not yet accredited by a recognized accrediting
 10 organization. A "*provisional certificate*" constitutes authorization to
 11 operate in Kansas but only under certain conditions deemed necessary by
 12 the state board, including, but not limited to, reporting requirements or
 13 securing new or additional bonds.

14 (m) "Representative" means any person employed by an institution to
 15 act as an agent, solicitor or broker to ~~procure~~ *recruit* students or enrollees
 16 for the institution.

17 ~~(n)~~(n) "State board" means the state board of regents or the *state*
 18 board's designee.

19 ~~(o)~~(o) "Support" or "supported" means the primary source and means
 20 by which an institution derives revenue to perpetuate operation of the
 21 institution.

22 ~~(p)~~(p) "University" means a postsecondary educational institution
 23 authorized to offer any degree, including ~~a~~ *an associate*, bachelor, graduate
 24 or professional degree.

25 ~~(q)~~(q) "State educational institution" means any state educational
 26 institution as defined ~~by~~ *in* K.S.A. 76-711, and amendments thereto.

27 Sec. 18. K.S.A. 74-32,164 is hereby amended to read as follows: 74-
 28 32,164. The Kansas private and out-of-state postsecondary educational
 29 institution act shall not apply to:

30 (a) ~~An institution supported primarily by Kansas taxation from either~~
 31 ~~a local or state source~~ *Postsecondary educational institutions established,*
 32 *operated and governed by this state or a political subdivision thereof;*

33 (b) an institution or training program ~~which~~ *that* offers instruction
 34 only for avocational or recreational purposes as determined by the state
 35 board;

36 (c) a course or courses of instruction or study, excluding degree-
 37 granting programs, sponsored by an employer for the training and
 38 preparation of its own employees, and for which no tuition or other fee is
 39 charged to the student;

40 (d) a course or courses of instruction or study sponsored by a
 41 recognized trade, business or professional organization having a closed
 42 membership for the instruction of the members of the organization, and for
 43 which no tuition or other fee is charged to the student;

1 (e) *except as provided in section 9, and amendments thereto, an*
2 *institution—~~which that is otherwise actively regulated—and approved by~~*
3 *another regulatory agency of Kansas under any other law of—~~this state~~*
4 *Kansas and has received an affirmative approval from such other agency*
5 *to operate in Kansas;*

6 (f) *a course or courses of special study or instruction having a closed*
7 *enrollment and financed or subsidized on a contract basis by local or state*
8 *government, private industry, or any person, firm, association or agency,*
9 *other than the student involved;*

10 (g) *an institution financed or subsidized by federal or special funds*
11 *~~which that~~ has applied to the state board for exemption from the*
12 *provisions of this act and—~~which~~ has been declared exempt by the state*
13 *board because—~~it~~ the state board has found that the operation of such*
14 *institution is outside the purview of this act;*

15 (h) ~~the Kansas City college and bible school, inc.;~~

16 (i) ~~Cleveland university-Kansas City~~ *education offered as an intensive*
17 *review course solely designed to prepare students for graduate or*
18 *professional school entrance examinations or professional licensure*
19 *examinations, including, but not limited to, certified public accountancy*
20 *examinations, examinations for a professional practice in psychology or*
21 *bar examinations;*

22 (j)(i) ~~any~~ *each of the following postsecondary educational—~~institution~~*
23 *institutions, all of which—~~was~~ were granted approval to confer academic or*
24 *honorary degrees by the state board of education under the provisions of*
25 *K.S.A. 17-6105, prior to its repeal, or were previously exempted from this*
26 *act by the legislature and that have approval to confer academic or*
27 *honorary degrees in calendar year 2020:*

28 (1) *Baker university, Baldwin City;*

29 (2) *Barclay college, Haviland;*

30 (3) *Benedictine college, Atchison;*

31 (4) *Bethany college, Lindsborg;*

32 (5) *Bethel college, North Newton;*

33 (6) *Central Baptist theological seminary, Kansas City;*

34 (7) *Central Christian college of Kansas, McPherson;*

35 (8) *Cleveland university-Kansas City, Overland Park;*

36 (9) *Donnelly college, Kansas City;*

37 (10) *Friends university, Wichita;*

38 (11) *Hesston college, Hesston;*

39 (12) *Kansas Christian college, Overland Park;*

40 (13) *Kansas Wesleyan university, Salina;*

41 (14) *Manhattan Christian college, Manhattan;*

42 (15) *McPherson college, McPherson;*

43 (16) *MidAmerica Nazarene university, Olathe;*

- 1 (17) *Newman university, Wichita;*
- 2 (18) *Ottawa university, Ottawa;*
- 3 (19) *Southwestern college, Winfield;*
- 4 (20) *Sterling college, Sterling;*
- 5 (21) *Tabor college, Hillsboro; and*
- 6 (22) *University of Saint Mary, Leavenworth; and*

7 ~~(k)(j)~~ any institution that does not have a physical presence in Kansas
8 and that is otherwise subject to this act, but only to the extent that and for
9 the period of time that such institution is participating in the state
10 authorization reciprocity agreement as authorized under K.S.A. 74-32,194,
11 and amendments thereto, for the purpose of providing distance education
12 to students in ~~this state~~ *Kansas*. As used in this subsection, ~~the term~~
13 "distance education" ~~has the meaning ascribed thereto~~ *means the same as*
14 *defined in K.S.A. 74-32,194, and amendments thereto.*

15 Sec. 19. K.S.A. 74-32,165 is hereby amended to read as follows: 74-
16 32,165. (a) (1) The state board may adopt rules and regulations for the
17 administration of this act.

18 (2) *The state board shall adopt rules and regulations that impose*
19 *requirements on any postsecondary institution that is closing. Such rules*
20 *and regulations may include, but not be limited to, notice requirements,*
21 *teach-out plans, maintenance of academic records, refund requirements*
22 *and transcript requests.*

23 (b) (1) Specific standards shall be set for determining those
24 institutions ~~which~~ *that* qualify for approval to confer or award academic
25 degrees. Such standards shall be consistent with standards applicable to
26 state educational institutions under the control and supervision of the state
27 board.

28 (2) *Each degree-granting institution shall make progress toward*
29 *institutional accredited status with an accrediting agency for higher*
30 *education recognized by the United States department of education. Once*
31 *institutional accredited status is achieved by an institution, such degree-*
32 *granting institution shall maintain accredited status. The provisions of this*
33 *paragraph shall not apply to any private postsecondary educational*
34 *institution that was awarded degree-granting authority prior to July 1,*
35 *2004, and maintains such authority on July 1, 2020.*

36 (3) *Additional standards may be set for those institutions that receive*
37 *federal title IV student financial aid, including, but not limited to,*
38 *requiring audited financial statements. The state board may grant*
39 *exceptions to the additional standards by the adoption of rules and*
40 *regulations.*

41 (c) The state board shall maintain a list of institutions that have been
42 issued a certificate of approval.

43 (d) Any state agency having information ~~which~~ *that* will enable the

1 state board to exercise its powers and perform its duties in administering
2 the provisions of this act shall furnish such information when requested by
3 the state board.

4 Sec. 20. K.S.A. 74-32,167 is hereby amended to read as follows: 74-
5 32,167. (a) No institution ~~may operate~~ *shall establish a physical presence*
6 ~~within this state~~ *Kansas* without obtaining a certificate of approval from
7 the state board as provided in this act. No institution shall confer or award
8 any degree, certificate or diploma, whether academic or honorary, unless
9 such institution has been approved for such purpose by the state board.

10 (b) Any contract entered into by or on behalf of any owner, employee
11 or representative of an institution ~~which~~ *that* is subject to the provisions of
12 this act; but ~~which~~ has not obtained a certificate of approval, shall be
13 unenforceable in any action.

14 Sec. 21. K.S.A. 74-32,168 is hereby amended to read as follows: 74-
15 32,168. (a) Each institution shall apply to the state board for a certificate of
16 approval. *At least 60 days before* an institution ~~which opens or maintains~~
17 *branch campus in Kansas, such institution* shall notify the state board that
18 ~~it has opened or is maintaining~~ *intends to open* a branch campus. Such
19 branch campus shall be subject to review by the state board to determine
20 whether it complies with the provisions of this act and the standards of the
21 state board established pursuant thereto.

22 (b) An application for a certificate of approval shall be made on a
23 form prepared and furnished by the state board and shall contain ~~such~~ *the*
24 ~~information as may be~~ required by the state board.

25 (c) The state board may issue a certificate of approval upon
26 determination that an institution meets the *requirements of this act and all*
27 standards established by the state board *pursuant thereto*. The state board
28 may issue a certificate of approval to any institution accredited by a
29 regional or national accrediting agency recognized by the United States
30 department of education without further evidence.

31 (d) (1) *The state board may issue a provisional certificate of approval*
32 *to a degree-granting institution that is not yet accredited by a recognized*
33 *accrediting organization and that is seeking to establish a physical*
34 *presence in Kansas. The provisional certificate may be renewed annually*
35 *as long as the institution continues to progress toward successful*
36 *attainment of full institutional accreditation within the regular*
37 *accreditation cycle established by the recognized accrediting organization.*

38 (2) *The institution shall submit a plan for achieving accreditation.*
39 *Such plan shall include identification of the recognized accrediting*
40 *organization's eligibility requirements, minimum accreditation*
41 *requirements, review processes and the institution's timeline for achieving*
42 *full accreditation.*

43 (3) *The institution shall submit quarterly updates on the institution's*

1 *progress toward full accreditation to the state board.*

2 *(4) The state board may adopt rules and regulations imposing*
3 *additional surety bond requirements for the indemnification of any student*
4 *for any loss suffered as a result of a failure to achieve full accreditation.*

5 Sec. 22. K.S.A. 74-32,169 is hereby amended to read as follows: 74-
6 32,169. The state board shall issue a certificate of approval to an institution
7 when the state board is satisfied that the institution meets minimum
8 standards established by ~~the state board by adoption of this act, and by~~
9 rules and regulations *adopted pursuant to this act to-insure ensure* that:

10 (a) Courses, curriculum and instruction are of such quality, content
11 and length as may reasonably and adequately ensure achievement of the
12 stated objective for which the courses, curriculum or instruction are
13 offered;

14 (b) institutions have adequate space, equipment, instructional material
15 and personnel to provide education and training of good quality;

16 (c) educational and experience qualifications of directors,
17 administrators and instructors are such as may reasonably ~~insure ensure~~
18 that students will receive instruction consistent with the objectives of their
19 program of study;

20 (d) institutions maintain written records of the previous education and
21 training of students and applicant students, and that training periods are
22 shortened when warranted by such previous education and training or by
23 skill or achievement tests;

24 (e) *except as approved by the state board, no earned certificate or*
25 *degree is given, awarded or granted solely on the basis of any of the*
26 *following:*

27 *(1) Payment of tuition or fees;*

28 *(2) credit earned at any other school;*

29 *(3) credit for life experience or other equivalency;*

30 *(4) testing out; or*

31 *(5) research and writing;*

32 *(f) no honorary degree is given, awarded or granted by any*
33 *institution that does not give, award or grant an earned degree, and no fee*
34 *or other charge is assessed for giving, awarding or granting an honorary*
35 *degree;*

36 (g) a copy of the course outline, schedule of tuition, fees and other
37 charges, settlement policy, rules pertaining to absence, grading policy and
38 rules of operation and conduct are furnished to students upon ~~entry into~~
39 *class enrollment;*

40 ~~(h)~~*(h) upon completion of training or instruction, students are given*
41 *certificates, diplomas or degrees as appropriate by the institution*
42 *indicating satisfactory completion of the program;*

43 ~~(g)~~*(i) adequate records are kept to show attendance, satisfactory*

1 academic progress and enforcement of satisfactory standards relating to
2 attendance, progress and conduct;

3 ~~(h)~~(j) institutions comply with all local, state and federal regulations;

4 ~~(i)~~(k) institutions are financially responsible and *maintain adequate*
5 *financial records, which for institutions receiving federal title IV student*
6 *financial aid, includes financial aid information and loan default rates;*

7 (l) *institutions are* capable of fulfilling commitments for instruction;

8 ~~(j)~~(m) institutions do not utilize erroneous or misleading advertising,
9 either by actual statement, omission or intimation;

10 ~~(k)~~(n) institutions have and maintain a policy, ~~which shall be~~ subject
11 to state board approval, for the refund of unused portions of tuition, fees
12 and other charges if a student enrolled by the institution fails to begin a
13 course ~~or, withdraws or is discontinued therefrom~~ *from such course* at any
14 time prior to completion. Such policies shall take into account those costs
15 of the institution that are not diminished by the failure of the student to
16 enter or complete a course of instruction; ~~and~~

17 ~~(h)~~(o) institutions adopt, publish and adhere to a procedure for
18 handling student complaints. Institutions shall post information so that
19 students will be aware of the complaint process available to them. The
20 information shall be posted in locations that are used or seen by all
21 students on a regular basis such as the institution's website, enrollment
22 agreement, ~~catalogue~~ *catalog* or other media;

23 (p) *in accordance with applicable state and federal data protection*
24 *laws, institutions take appropriate measures to protect students' personally*
25 *identifiable information and promptly address any breach or unauthorized*
26 *disclosure of any student's personally identifiable information;*

27 (q) *institutions publish the following information as required by the*
28 *state board of regents:*

29 (1) *Graduation rates;*

30 (2) *placement rates and other information indicating actual*
31 *employment and earnings in relevant occupations after successful*
32 *completion of offered programs; and*

33 (3) *loan default rates.*

34 Sec. 23. K.S.A. 74-32,170 is hereby amended to read as follows: 74-
35 32,170. (a) ~~After review of the state board reviews~~ an application for a
36 certificate of approval and ~~if the state board~~ determines that the institution
37 meets the requirements of this act and the standards established by the
38 state board, the state board shall issue a certificate of approval to the
39 institution. Certificates of approval shall be in a form specified by the state
40 board. Certificates of approval shall state:

41 (1) The date of issuance and term of approval;

42 (2) the correct name and address of the institution;

43 (3) the signature of the chief executive officer of the state board or a

1 person designated by the state board to administer the provisions of this
2 act; and

3 (4) any other information required by the state board.

4 (b) Certificates of approval shall be valid for a term of one year.

5 (c) ~~Each certificate of approval shall be issued to the owner of an~~
6 ~~institution and shall not be transferable. If a change in ownership of an~~
7 ~~institution occurs, the new owner shall apply within 60 days prior to the~~
8 ~~change in ownership for a new certificate of approval. The state board may~~
9 ~~waive the sixty-day requirement upon determination that an emergency~~
10 ~~exists and that the waiver and change in ownership would be in the best~~
11 ~~interests of students currently enrolled in the institution. Whenever a~~
12 ~~change in ownership occurs as a result of death, court order or operation of~~
13 ~~law, the new owner shall apply immediately for a new certificate of~~
14 ~~approval pursuant to section 10, and amendments thereto.~~

15 (d) At least 120 days prior to expiration of a certificate of approval,
16 the state board shall ~~forward to notify~~ the institution ~~a renewal application~~
17 ~~form that it is required to renew its certificate of approval in order to~~
18 ~~continue maintaining a physical presence in Kansas after the expiration~~
19 ~~date of its current certificate of approval. Any institution desiring to renew~~
20 ~~its certificate of approval; shall complete and submit the application for~~
21 ~~renewal to the state board at least 60 days prior to the expiration of the~~
22 ~~institution's certificate of approval. An application for renewal shall be~~
23 ~~deemed late if the institution applying for renewal fails to submit a~~
24 ~~completed application for renewal at least 60 days prior to the expiration~~
25 ~~of the institution's certificate of approval. A completed application for~~
26 ~~renewal includes all documentation, information and fees required by the~~
27 ~~state board to complete the renewal process. When an application for~~
28 ~~renewal is deemed late, the state board may require the institution to begin~~
29 ~~the closure procedure.~~

30 (e) Unless exempt from the provisions of this act pursuant to K.S.A.
31 74-32,164, and amendments thereto, an institution shall not accept
32 payments for tuition, fees or other enrollment charges until the institution
33 receives a certificate of approval from the state board.

34 (f) Any institution ~~which~~ that does not plan to renew a certificate of
35 approval shall notify the state board of its intent not to renew at least 60
36 days prior to the expiration date of the certificate of approval.

37 (g) *Any institution that is closing, either voluntarily or involuntarily,*
38 *shall be subject to closure requirements until the state board notifies the*
39 *institution that all closure requirements are satisfied.*

40 Sec. 24. K.S.A. 74-32,171 is hereby amended to read as follows: 74-
41 32,171. (a) ~~After review of the state board reviews~~ an application for a
42 certificate of approval and ~~if the state board~~ determines that the applicant
43 does not meet the requirements of this act, the state board shall refuse to

1 issue the certificate *of approval* and set forth the reasons for the
2 determination.

3 (b) If an applicant, upon written notification of refusal by the state
4 board to issue a certificate of approval, desires to contest such refusal, the
5 applicant shall notify the state board in writing; *of the desire to be heard*
6 within 15 days after the date of service of such notice of refusal, ~~of the~~
7 ~~desire to be heard.~~ *Such. Any applicant requesting a hearing pursuant to*
8 *this section* shall be afforded a hearing in accordance with the provisions
9 of the Kansas administrative procedure act. Upon conclusion of any such
10 hearing, the state board shall issue a certificate of approval or a final
11 refusal to do so.

12 (c) If an applicant, upon service of notice of refusal by the state board
13 to issue a certificate of approval, fails to request a hearing within 15 days
14 after the date of service of such notice of refusal, the state board's refusal
15 shall be *a final agency action*.

16 Sec. 25. K.S.A. 74-32,172 is hereby amended to read as follows: 74-
17 32,172. (a) The state board may revoke a certificate of approval or impose
18 reasonable conditions upon the continued approval represented by a
19 certificate. ~~Prior to revocation or imposition of conditions upon a~~
20 ~~certificate of approval, the state board shall give written notice to the~~
21 ~~holder of the certificate of the impending action setting forth the grounds~~
22 ~~for the action contemplated to be taken and affording a hearing on a date~~
23 ~~within 30 days after the date of such notice. Hearings under this section~~
24 ~~shall be conducted in accordance with the provisions of the Kansas~~
25 ~~administrative procedure act.~~

26 (b) A certificate of approval may be revoked ~~or conditioned~~ if the
27 state board has reasonable cause to believe that the institution is in
28 violation of any provision of this act or of any rules and regulations
29 adopted under this act. *An institution that has had a certificate of approval*
30 *revoked may not reapply for a certificate of approval for 12 months after*
31 *the final order of revocation, and then only if the institution establishes to*
32 *the satisfaction of the state board that it has cured all deficiencies. Prior*
33 *to revocation, the state board shall give written notice to the holder of the*
34 *certificate of approval of the impending action, setting forth the grounds*
35 *for the action contemplated to be taken and affording the institution*
36 *holding the certificate of approval an opportunity to request a hearing. If*
37 *a hearing is requested, such hearing shall be conducted within 30 days*
38 *after the date the notice was sent. Hearings conducted pursuant to this*
39 *subsection shall be conducted in accordance with the Kansas*
40 *administrative procedure act.*

41 (c) *A certificate of approval may be conditioned at any time if the*
42 *state board has reasonable cause to believe additional information is*
43 *necessary, a violation of this act occurred or it is in the students' best*

1 *interest for the institution to continue operations during a change in*
2 *ownership or while an institution is completing closure requirements. A*
3 *certificate of approval that has been conditioned constitutes authorization*
4 *to operate but with conditions, including, but not limited to, reporting*
5 *requirements, performance standard requirements, securing new or*
6 *additional bonds, limiting the period of time to operate during change of*
7 *ownership or for the purpose of teaching out students. The state board*
8 *may require any institution with a certificate of approval that has been*
9 *conditioned to suspend or cease any part of institutional activity,*
10 *including, but not limited to, enrolling students, advertising or delivering*
11 *certain classes or programs. Such conditions shall remain in effect until*
12 *the circumstances precipitating the conditional status are corrected, and*
13 *the state board has completed all reviews relating to the institution's*
14 *conditional status. The state board's decision to impose reasonable*
15 *conditions shall be a final agency action.*

16 Sec. 26. K.S.A. 74-32,173 is hereby amended to read as follows: 74-
17 32,173. Any action of the state board pursuant to K.S.A. 74-32,170, 74-
18 32,171 or 74-32,172, and amendments thereto, *or section 12, and*
19 *amendments thereto*, is subject to review in accordance with the Kansas
20 judicial review act. If it appears to the state board on the basis of its own
21 inquiries or investigations or as a result of a complaint that any provision
22 of this act has been or may be violated, the state board may request the
23 attorney general to institute an action enjoining such violation or for an
24 order directing compliance with the provisions of this act.

25 Sec. 27. K.S.A. 74-32,175 is hereby amended to read as follows: 74-
26 32,175. (a) Before a certificate of approval is issued under this act, a bond
27 in the penal sum of \$20,000 shall be provided by the institution for the
28 period for which the certificate of approval is to be issued. The obligation
29 of the bond shall be that the institution and its officers, agents,
30 representatives and other employees shall be bound; to:

31 *(1) Comply with the provisions of this act and the rules and*
32 *regulations and standards established by the state board pursuant to this*
33 *act, including, but not limited to, protecting students' personally*
34 *identifiable information; and*

35 *(2) upon closure of the institution, or if the institution is no longer*
36 *seeking state board approval, to deliver or make available to the state*
37 *board the records of all students who are in attendance at the institution at*
38 *the time of closure or who have attended the institution at any time prior to*
39 *closure.*

40 *(b) The bond shall be a corporate surety bond issued by a company*
41 *authorized to do business in this state on a form required by the state*
42 *board. The bond shall be filed with the state board. If the institution ceases*
43 *operation, the state board may recover against the bond all necessary costs*

1 for the acquisition, permanent filing and maintenance of student records of
2 the institution.

3 ~~(b) In lieu of the corporate surety bond required under subsection (a),
4 an institution may provide any similar certificate or evidence of
5 indebtedness or insurance as may be acceptable to the state board if such
6 certificate or evidence of indebtedness or insurance is conditioned that the
7 requirements of subsection (a) shall be met.~~

8 Sec. 28. K.S.A. 74-32,177 is hereby amended to read as follows: 74-
9 32,177. (a) No person shall:

10 (1) Operate an institution without a certificate of approval;

11 ~~(2) solicit prospective students without being registered as required
12 by this act;~~

13 ~~(3) accept contracts or enrollment applications from a representative
14 who is not registered as required by this act;~~

15 ~~(3) use fraud or misrepresentation to obtain a certificate of approval;~~

16 (4) use fraud or misrepresentation in advertising or in procuring
17 enrollment of a student;

18 (5) use the term "accredited" in the name or advertisement of the
19 institution unless such institution is accredited as defined in this act;~~and
20 or~~

21 (6) use the term "university" in the name or advertisement of the
22 institution unless such institution is a university as defined by this act.

23 (b) Violation of any provision of subsection (a) or ~~of~~ any other
24 provision of this act is a class C nonperson misdemeanor.

25 *(c) The state board may revoke or condition a certificate of approval
26 for any violation of subsection (a) or any other provision of this act.*

27 Sec. 29. K.S.A. 74-32,178 is hereby amended to read as follows: 74-
28 32,178. Upon application of the attorney general or a county or district
29 attorney, a district court shall have jurisdiction to enjoin any violation of
30 this act and to enjoin persons from engaging in business in this state. In
31 any action brought to enforce the provisions of this act, if the court finds
32 that a person willfully used any deceptive or misleading act or practice or
33 operates an institution without first obtaining and maintaining a certificate
34 of approval, the attorney general or a county or district attorney, upon
35 petition to the court, may recover on behalf of the state, in addition to the
36 criminal penalties provided in this act, a civil penalty not exceeding ~~\$5,000~~
37 *\$20,000* for each violation. For purposes of this section, an intentional
38 violation occurs when the person committing the violation knew or should
39 have known that the conduct of the person consisted of acts or practices
40 ~~which~~ *that* were deceptive or misleading including the operation of an
41 institution without first obtaining a certificate of approval from the state
42 board. Any violation of this act or any rule or regulation adopted pursuant
43 thereto is a deceptive act or practice under the Kansas consumer protection

1 act. Any remedy provided by this act shall be in addition to any other
2 remedy provided by the Kansas consumer protection act.

3 Sec. 30. K.S.A. 74-32,181 is hereby amended to read as follows: 74-
4 32,181. (a) The state board shall fix, charge and collect fees not to exceed
5 the following amounts by adopting rules and regulations for such
6 purposes:

7 (1) For institutions chartered, incorporated or otherwise organized
8 under the laws of Kansas and having their principal place of business
9 ~~within the state of~~ *in* Kansas:

10 Initial application fees:

11 Non-degree granting institution \$2,000

12 Degree granting institution.....\$3,000

13 Initial evaluation fee (in addition to initial application fees):

14 Non-degree level.....\$750

15 Associate degree level.....\$1,000

16 Baccalaureate degree level.....\$2,000

17 Master's degree level.....\$3,000

18 Professional or doctoral degree level.....\$4,000

19 Renewal application fees:

20 Non-degree granting institution.....Up to 2% of gross tuition,
21 but not less than \$500, nor more than \$25,000

22 Degree granting institution.....Up to 2% of gross tuition,
23 but not less than \$1,000, nor more than \$25,000

24 New program submission fees, for each new program:

25 Non-degree program.....\$250

26 Associate degree program.....\$500

27 Baccalaureate degree program.....\$750

28 Master's degree program.....\$1,000

29 Professional or doctoral degree program.....\$2,000

30 Branch campus site fees, for each branch campus site:

31 Initial non-degree granting institution.....\$1,500

32 Initial degree granting institution.....\$2,500

33 Renewal branch campus site fees, for each branch campus site:

34 Non-degree granting institution.....Up to 2% of gross tuition,
35 but not less than \$500, nor more than \$25,000

36 Degree granting institution.....Up to 2% of gross tuition,
37 but not less than \$1,000, nor more than \$25,000

38 Representative fees:

39 Initial registration.....\$200

40 Late submission of renewal of application fee.....\$500

41 Student transcript copy fee.....\$10

42 Returned check fee.....\$50

43 (2) For institutions domiciled or having their principal place of

1 documentation, information and fees requested by the state board to
 2 complete the renewal process, at least 60 days prior to the expiration of the
 3 institution's certificate of approval.

4 (e) ~~The state board shall annually determine on or before June 1 of~~
 5 ~~each year~~ the amount of revenue ~~which~~ that will be required to properly
 6 carry out and enforce the provisions of the Kansas private and out-of-state
 7 postsecondary educational institution act ~~for the next ensuing fiscal year~~
 8 and shall fix the fees authorized ~~for such year~~ at the sum deemed necessary
 9 for such purposes within the limits of this section.

10 ~~(f)(d)~~ Fees may be charged to conduct on-site reviews for degree
 11 granting and non-degree granting institutions or to review curriculum in
 12 content areas where the state board does not have expertise.

13 Sec. 31. K.S.A. 74-32,182 is hereby amended to read as follows: 74-
 14 32,182. (a) The state board shall remit all moneys received pursuant to the
 15 provisions of this act to the state treasurer. Upon receipt of each such
 16 remittance, the state treasurer shall deposit the entire amount remitted in
 17 the state treasury and, *except as otherwise provided in this act*, shall credit
 18 ~~the same such remittance~~ to the private and out-of-state postsecondary
 19 educational institution fee fund to be used for the purpose of administering
 20 this act. All expenditures from such fee fund shall be made in accordance
 21 with appropriations acts upon warrants of the director of accounts and
 22 reports issued pursuant to vouchers approved by the state board or the
 23 board's designee.

24 (b) On or before the 10th of each month, the director of accounts and
 25 reports shall transfer from the state general fund to the private and out-of-
 26 state postsecondary educational institution fee fund interest earnings based
 27 on:

28 (1) The average daily balance of moneys in such fee fund for the
 29 preceding month; and

30 (2) the net earnings rate for the pooled money investment portfolio
 31 for the preceding month.

32 Sec. 32. K.S.A. 74-32,184 is hereby amended to read as follows: 74-
 33 32,184. Within the limits of appropriations therefore, the state board shall
 34 develop and maintain a statewide data collection system to collect and
 35 analyze private and out-of-state postsecondary educational information,
 36 including, but not limited to, student, course, financial aid and program
 37 demographics that will assist the *state* board in improving the quality of
 38 private and out-of-state postsecondary education. *Failure of an institution*
 39 *to submit complete and substantially accurate data on a timely basis when*
 40 *requested by the state board shall be a violation of this act.*

41 Sec. 33. K.S.A. 74-32,194 is hereby amended to read as follows: 74-
 42 32,194. (a) As used in this section:

43 (1) "Community college" means any community college established

1 under the laws of this state;

2 (2) "distance education" means any course or program offered by a
3 postsecondary educational institution to students who are located in a state
4 in which the postsecondary educational institution does not have a
5 physical presence;

6 (3) "independent postsecondary educational institution" means any
7 postsecondary educational institution ~~which~~ *that* was granted approval to
8 confer academic or honorary degrees by the state board of education under
9 the provisions of K.S.A. 17-6105, prior to its repeal;

10 (4) "municipal university" means Washburn university of Topeka or
11 any other municipal university established under the laws of this state;

12 (5) "out-of-state postsecondary educational institution" ~~has the~~
13 ~~meaning ascribed thereto~~ *means the same as defined* in K.S.A. 74-32,163,
14 and amendments thereto;

15 (6) "postsecondary educational institution" means any degree-
16 granting public postsecondary educational institution, independent
17 postsecondary educational institution, private postsecondary educational
18 institution and out-of-state postsecondary educational institution;

19 (7) "private postsecondary educational institution" ~~has the meaning~~
20 ~~ascribed thereto~~ *means the same as defined* in K.S.A. 74-32,163, and
21 amendments thereto;

22 (8) "public postsecondary educational institution" means any state
23 educational institution, municipal university, community college and
24 technical college, and includes any entity resulting from the consolidation
25 or affiliation of any two or more of such public postsecondary educational
26 institutions;

27 (9) "state authorization reciprocity agreement" means an agreement
28 among states, districts and territories that establishes comparable standards
29 for providing distance education from their postsecondary educational
30 institutions to out-of-state students;

31 (10) "state board" means the state board of regents;

32 (11) "state educational institution" means ~~any state educational~~
33 ~~institution~~, *the same as defined* in K.S.A. 76-711, and amendments thereto;
34 and

35 (12) "technical college" means any technical college established
36 under the laws of this state.

37 (b) The state board is authorized to enter into the state authorization
38 reciprocity agreement for the purposes of:

39 (1) Authorizing and allowing any postsecondary educational
40 institution with a physical presence in Kansas to voluntarily participate in
41 the state authorization reciprocity agreement and provide distance
42 education in other states in accordance with the terms of the state
43 authorization reciprocity agreement; and

1 (2) authorizing and allowing any postsecondary educational
2 institution that does not have a physical presence in Kansas and that is a
3 participating member of the state authorization reciprocity agreement to
4 deliver distance education in this state in accordance with the terms of the
5 state authorization reciprocity agreement, notwithstanding the provisions
6 of the private and out-of-state postsecondary education institution act.

7 (c) A postsecondary educational institution shall be deemed to have a
8 "physical presence" in the state if the postsecondary education institution:

9 (1) Has established a campus, branch instructional facility or
10 administrative office within the boundaries of the state;

11 (2) requires students to physically meet for instruction within the state
12 more than twice per full term;

13 (3) provides information from a physical site located ~~within the state~~
14 *in Kansas*;

15 (4) offers short courses within the state requiring 10 or more hours of
16 attendance by students; or

17 (5) maintains a mailing address or phone exchange in ~~the state~~
18 *Kansas*.

19 (d) The state board may assume and exercise all powers, duties and
20 responsibilities associated with and required *or authorized* under the terms
21 of the state authorization reciprocity agreement for any postsecondary
22 educational institution ~~which~~ *that* has a physical presence in ~~the state~~
23 *Kansas* and has voluntarily submitted to the jurisdiction of the state board
24 to the extent required to enable the postsecondary educational institution to
25 participate in the state authorization reciprocity agreement.

26 (e) The state board may terminate membership or participation of any
27 postsecondary educational institution with a physical presence in Kansas
28 that is participating in the state authorization reciprocity agreement if the
29 state board has reasonable cause to believe that the postsecondary
30 educational institution is in violation of any provision of this section *or the*
31 *agreement*.

32 (f) The state board shall be authorized to recover actual costs incurred
33 in the course of investigating and prosecuting complaints against a
34 postsecondary educational institution that is participating in the state
35 authorization reciprocity agreement, and shall be able to recoup tuition on
36 behalf of any student. The amount collected by the state board for the
37 actual costs related to the investigation and prosecution of the complaint or
38 for tuition on behalf of any student, as certified by the president or chief
39 executive officer of the state board to the state treasurer, shall be deposited
40 in the state treasury in accordance with the provisions of K.S.A. 75-4215,
41 and amendments thereto, and ~~shall be~~ credited to the state authorization
42 reciprocity fund.

43 (g) There is hereby established in the state treasury the state

1 authorization reciprocity fund, which shall be administered by the state
2 board. All expenditures from the state authorization reciprocity fund shall
3 be for reimbursement to the state board for any costs associated with
4 investigating and prosecuting complaints and recovering tuition on behalf
5 of any student under the provisions of the state authorization reciprocity
6 agreement. All expenditures from the state authorization reciprocity fund
7 shall be made in accordance with appropriation acts upon warrants of the
8 director of accounts and reports issued pursuant to vouchers approved by
9 the president or chief executive officer of the state board or the designee of
10 the president or chief executive officer of the state board.

11 (h) Nothing in this section shall preclude the state board from
12 exercising its authority under any other provision of law, nor the attorney
13 general from pursuing violations of any provisions of the Kansas
14 consumer protection act.

15 (i) The state board may adopt rules and regulations as necessary to
16 implement the provisions of this section.

17 Sec. 34. K.S.A. 74-32,417 is hereby amended to read as follows: 74-
18 32,417. As used in this act:

19 (a) "Career technical education program" means a program of
20 vocational or technical training or retraining ~~which~~ *that* is operated at the
21 postsecondary level and is designed to prepare persons for gainful
22 employment.

23 (b) "Career technical education institution" means any technical
24 college, community college, municipal university, or any state educational
25 institution ~~which~~ *that* operates one or more career technical education
26 programs.

27 (c) "Community college," "institute of technology," "municipal
28 university," "state educational institution," "technical college," and "state
29 board" ~~have the meanings respectively ascribed thereto~~ *mean the same as*
30 *such terms are defined* in K.S.A. 74-32,407, and amendments thereto.

31 (d) ~~"Private postsecondary educational institution" and "out-of-state~~
32 ~~postsecondary educational institution" have the meanings ascribed thereto~~
33 ~~in K.S.A. 74-32,163, and amendments thereto.~~

34 (e) "Program" means the Kansas training information program
35 established by this act.

36 Sec. 35. K.S.A. 74-32,419 is hereby amended to read as follows: 74-
37 32,419. (a) Every career technical education institution ~~and private or out-~~
38 ~~of-state postsecondary educational institution which~~ *that* desires to
39 participate in the program, shall:

40 (1) On or before October 1 in each fiscal year, transmit *the following*
41 *information* to the state board:

42 (A) The social security number of each person who completed a
43 career technical education program operated by the career technical

1 education institution or private or out-of-state postsecondary educational
2 institution during the prior fiscal year; and

3 (B) such other information as the state board may require in order to
4 conduct follow-up surveys and studies—~~which~~ *that* will assist in the
5 evaluation of career technical education programs; and

6 (2) prior to or at the time of enrollment at the career technical
7 education institution ~~or private or out-of-state postsecondary educational~~
8 ~~institution~~, make available to persons enrolling in a vocational education
9 program the most current report published and distributed by the state
10 board.

11 (b) Information transmitted to the state board pursuant to subsection
12 (a)(1) shall be confidential and shall not be disclosed or made public in
13 such a manner that any individual person can be identified thereby.

14 Sec. 36. K.S.A. 65-2877a, as amended by section 5 of chapter 52 of
15 the 2019 Session Laws of Kansas, 74-32,162, 74-32,163, 74-32,164, 74-
16 32,165, 74-32,167, 74-32,168, 74-32,169, 74-32,170, 74-32,171, 74-
17 32,172, 74-32,173, 74-32,175, 74-32,177, 74-32,178, 74-32,181, 74-
18 32,182, 74-32,184, 74-32,194, 74-32,417 and 74-32,419 and K.S.A. 2019
19 Supp. 17-2707 and 17-7668 are hereby repealed.

20 Sec. 37. This act shall take effect and be in force from and after its
21 publication in the statute book.