

Approved: 2-22-94
Date

MINUTES OF THE HOUSE COMMITTEE ON EDUCATION.

The meeting was called to order by Chairperson Duane Goossen at 3:30 p.m. on February 17, 1994 in Room 519-S of the Capitol.

All members were present except: Representative Phill Kline (excused)

Committee staff present: Ben Barrett, Legislative Research Department
Dale Dennis, Deputy Commissioner, Department of Education
Avis Swartzman, Revisor of Statutes
Lois Thompson, Committee Secretary

Conferees appearing before the committee: Robert N. Kelly, Kansas Independent College Association
Rod Beiker, State Department of Education
Ted Syres, Kansas Board of Regents
Harry Dickerson, Brian Institute, Wichita

Others attending: See attached list

Hearing was opened on **HB 2566** - providing for postsecondary review program.

Bob Kelly, Executive Director, Kansas Independent College Association, a proponent of the bill, explained the federal legislation, the role of SPREs, and why Kansas must designate one. (Attachment 1)

Rod Beiker, General Counsel for the State Board of Education, a proponent of the bill spoke on the specific Kansas SPRE legislation. (Attachment 2)

Ted Ayres, General Counsel for the Kansas Board of Regents, spoke in support of the bill and the importance of having a SPRE entity. For 1992 and 1993, based on latest information from institutions which did report \$187,655,000 of student financial assistance is involved. For Kansas education the oversight committee is the most important facet of the bill. He made two suggestions relative to the bill. The first amendment he would suggest relates to section 7 in dealing with the oversight committee. It speaks of 12 members of the committee, 2 each from the effected entities. The suggestion would reduce the oversight committee to 9 with two appointed by State Board of Education, two appointed by State Board of Regents, two appointed by executive committee of the Kansas Independent College Association and one member appointed by board of regents of Washburn, one by the board of barbering and one by the board of cosmetology. Of the \$187,655,000, \$ 99,000,000 comes to the regents, (52% of total), Independent institutions get a projected \$45,382,000 (24%), Community colleges, voc-tech, proprietary schools which submitted information for this report received \$43,263,000 (approx. 23%). This supports the proposed change in the oversight committee. The second amendment relates to the possibility of a sunset clause in this legislation. Kansas must have a SPRE designated and the legislation be passed because these funds are very much in jeopardy. June 30, 1995 is proposed date for the sunset clause.

Harry Dickerson, Brian Institute, Wichita, proposed an amendment in the oversight committee: 10 instead of 9, three members appointed by the state board of education, two members appointed by the state board of regents, one member appointed by the board of barbering, one member appointed by the board of cosmetology, one member appointed by the board of regents of Washburn University and two members by the executive committee of the Kansas Independent College Association. His position was of the three members appointed by the state board of education, one would represent area vocational technical schools, one

CONTINUATION SHEET

MINUTES OF THE HOUSE EDUCATION COMMITTEE meeting February 17, 1994 at 3:30 p.m. in Room 519-S.

would represent community colleges and one would represent proprietary schools. (Attachment 3)

This concluded hearing on **HB 2566**.

Attention was turned to **HB 2768** relating to pupil suspensions and expulsions from school.

Representative Benlon presented an amendment which would clean up some wording in the bill. (Attachment 4)

Representative Benlon moved the amendment be approved. Representative Pettey seconded the motion to amend. Motion to amend carried.

Representative Benlon moved bill be passed favorably. Representative Pettey seconded the motion.

Representative Reardon made a substitute motion and Representative Wiard seconded the motion to replace 10 days with 5 days. Substitute motion carried.

Representative McKecknie moved and Representative Lowther seconded the motion to pass the bill favorably. Motion carried.

Representative Wilk moved and Representative Pettey seconded a motion to approve the minutes of January 31, February 1, 2, 3, 7, 8, 9, and 10. Motion carried.

Meeting adjourned at 4:59 p.m. The next meeting of the House Education Committee will be Monday, February 21, 1994 at 3:30 p.m. in Room 519-S.

GUEST LIST

Committee: Education

Date: 2-27

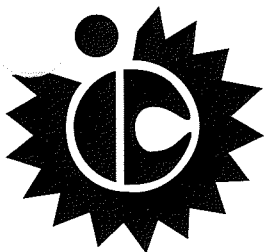
NAME: (Please print)	Address:	Company/Organization:
Red Bicker	Topeka	Ks Dept of Educ.
Conne Huesel	Topeka	S + Bd of Ed.
B.J. Eichen	Wamego	KASB
Bill Meek	Spring Hill	KASB
Ruby Van	Topeka	Ks Bd of Ed.
Randy Rushing	Kansas City	School Owner
John Sewell	Wichita	School Owner
W. Mary Shobe	Topeka	Ks. Bd of Cosmetology
Denise Apt	Topeka	KACC
Susan Peterson	Manhattan	KANSAS STATE UNIVERSITY
ALAN COBB	TOPEKA	KANTS
Merle Hee	"	KACC
David G. Monical	"	Washburn
Chris Ruhlman	"	KICA
Christy Crenshaw	Manhattan	Board of Regents
Chris D. Dumas	Topeka	USD 501#
Kirk Peters	Lawrence	intern
Don L. Schroeder	Topeka	USD 448
DARYL REGIER	MOONDRIDGE	USD 423
Susan Chan	Topeka	KNEA
Craig Grant	Topeka	HNEA
Abbie Crow	Rivland Park	Brown Mackay Cldg.
TED D. AYRES	TOPEKA	KS REGENTS STAFF
Mark Tallman	Topeka	KASB
Kathy Sexton	"	Division of the Budget

GUEST LIST

Committee: Education

Date: 2-17

[illegible]



KANSAS INDEPENDENT COLLEGE ASSOCIATION

515 Capitol Federal Building, 700 Kansas Avenue, Topeka, Kansas 66603
Telephone (913) 235-9877 • FAX (913) 235-1437

ROBERT N. KELLY, *Executive Director*

FEBRUARY 17, 1994

TESTIMONY BEFORE HOUSE EDUCATION COMMITTEE ON HOUSE BILL NO. 2566--SPRE

Mr. Chairman, members of the Committee, my name is Bob Kelly, Executive Director, Kansas Independent College Association. I am part of a testimony "troika" on State Postsecondary Review Entities (SPREs). My task is to explain the federal legislation, the role of SPREs, and why Kansas must designate one. Rod Beiker of the State Department of Education will speak on the specific Kansas SPRE legislation, and Ted Ayres of the Board of Regents' staff will offer two amendments to HB 2566 on which we have all agreed.

FEDERAL LEGISLATIVE BACKGROUND

SPRE represents a monumental change in federal policy toward higher education and the role of state governments. Frustrated by widespread stories of fraud and abuse in federal student aid programs, particularly large default rates at certain institutions, Congress wanted changes in the scope and enforcement of statutes limiting or terminating institutional eligibility to participate in student aid programs. The initial effort by the House Committee greatly reduced the power and influence of accrediting agencies by replacing some of their powers with state licensing agencies and placed far greater enforcement powers in the federal bureaucracy. This led to a great outcry among colleges and universities supportive of accreditation and by numerous individuals who did not want a larger federal ED bureaucracy. The compromise that resulted--Part H of the Higher Education Reauthorization Act of 1992-- created SPRE.

The legislative purpose behind SPRE is to more clearly define the specific roles of each partner in the "triad": the postsecondary education approval process comprising ED, state governments, and accrediting agencies. Prior to the passage of Part H, the roles were hazy: the accrediting agencies accredited institutions that ED in turn, recognized as eligible so long as they had degree granting or certificate-awarding authority from a state agency. Part H sets more rigorous guidelines for accrediting agencies, provides greater authority to ED to review institutional finances and practices, and grants enforcement authority to the state government with this authority residing in one federally-mandated agency designated by the state--the SPRE. Simply stated, the SPRE becomes the federal marshal for ED, enforcing its rules and regulations, developing its review standards for institutional participation, collecting its data, and recommending specific institutions for termination.

Granting that ED has been inadequate, inconsistent, arrogant, and usually unsuccessful in its enforcement activities, it still seems to many of us to be quite a reach for Congress to put potentially vast enforcement powers in a state agency. The reasons are

two: (a) there were no sound political alternatives and (b) many state higher education agencies lobbied for this authority. The unacceptable alternatives were the original House approach that was widely disparaged or an emphasis on ED enforcement powers being limited to proprietary schools, an approach totally unacceptable to House Chairman Bill Ford. As for state agency lobbying, virtually every Northeastern state higher education agency lobbied extensively for SPRE. The result was that Part H passed with little discussion. (Attachment I is Part H)

HIGHER EDUCATION REACTION

After the passage of Part H, the response has been extremely spirited. On one hand, state governments rushed to designate SPREs. Attachment II shows that Kansas is the only state or territory to have not complied. Naturally, there was the threat of the loss of some student aid funds, but the bigger "carrot" was the desire on the part of many state agencies to receive federal funds and be granted expanded authority.

On the other hand, institutions across all sectors are dismayed. Federal inefficiency does not seem so bad when the option is the authority residing in a state agency. Every national association of colleges, universities, or postsecondary institutions has prepared documents sounding the alert of potential problems. Although the list is scary and the paranoia is high, I will not trouble you with any of these arcane details now. Suffice it to say, SPRE has become a highly controversial issue in higher education.

ED RESPONSE

This controversy has been fueled by the regulations that ED has issued to implement Part H. The initial drafts were overreaching, placed considerable powers with SPREs not contemplated in the statutes, and severely limited accrediting agencies. The negotiations on these items are presently ongoing.

In addition, SPRE has become a priority under the Clinton administration. Its funding has surprised many observers, having received \$5 million its first year, \$21 million its second year, and slated for \$35 million (a 65% increase) in the latest Clinton budget. For interest, Kansas would receive about \$62,000 for its initial planning year, around \$300,000 under a \$21 million appropriation, and around \$500,000 under the latest budget. This is not a minor sum for administration.

PERSONAL COMMENTS

1. Please pass HB 2566 with the amendments we propose. The penalties involving accreditation, certification, and eligibility for Title IV funds are vague; but with every other state participating, we will receive little sympathy. Already, access to federal programs is being proposed to be funded through SPRE.

2. We have designed a relatively innocuous SPRE system for Kansas. It fits our decentralized postsecondary system; however, we may need legislative, gubernatorial and congressional assistance in having it approved by the ED bureaucrats.

3. We all need to monitor the SPRE so that it fits what we in Kansas want. The bill as amended provides a strong framework for oversight.

There are a myriad of details I would be willing to address if you ask. But I think this provides sufficient background of the seriousness of the issue and the need to designate a SPRE.

PART H-PROGRAM INTEGRITY TRIAD
Subpart 1-Stat Postsecondary Review Program
(* reflects 1993 technical amendments ***)**

SEC. 494. STATE POSTSECONDARY REVIEW PROGRAM.

(a) **PURPOSE.**—It is the purpose of this section to authorize the Secretary to enter into agreements that—

(1) designate one State postsecondary review entity in each State to be responsible for the conduct or coordination of the review under section 494C(d) of institutions of higher education, reported to the State by the Secretary pursuant to section 494C(a), for the purposes of determining eligibility under this title; and (2) provide Federal funds to each State postsecondary review entity for performing the functions required by such agreements with the Secretary.

(b) **PROGRAM AUTHORITY.**—The Secretary shall, in accordance with the provisions of this subpart, enter into agreements with each of the States to carry out the purposes of this subpart. If any State declines to enter into an agreement with the Secretary for the purposes of this subpart, the provisions of this subpart which refer to the State, with respect to such State, shall refer to the Secretary, who may make appropriate arrangements with agencies or organizations of demonstrated competence in reviewing institutions of higher education.

(c) **FAILURE TO COMPLY WITH AGREEMENT.**—If a State fails to enter into an agreement under this section or fails to meet the requirements of its agreement with the Secretary under this subpart—

(1) the Secretary—

(A) may not designate as eligible for participation in any program under this title any new institution (including new branch campuses) or any institution that has changed ownership, pursuant to section 481 and subpart 3 of this part; and

(B) may grant only provisional certification for all institutions in the State pursuant to subpart 3 of this part; and

(2) the State shall be ineligible to receive funds under section 494B of this subpart, subpart 4 of part A of this title, and chapter 2 of subpart 2 of part A of this title

(20 U.S.C. 1099a) Enacted July 23, 1992. P.L. 102-325, sec. 499, 106 Stat. 634.

SEC. 494A. STATE POSTSECONDARY REVIEW ENTITY AGREEMENTS.

(a) **STATE ORGANIZATION STRUCTURES.**—(1) Each agreement under this subpart shall describe a State organizational structure responsible for carrying out the review under section 494C(d) of institutions reported to the State by the Secretary pursuant to section 494C(a). Each such entity's action in reviewing such institutions shall, for purposes of this subpart, be considered to be the action of the State.

(2) For the purposes of this subpart, the designation of a State postsecondary review entity for the purpose of entering into an agreement with the Secretary shall be in accordance with the State

law of each individual State with respect to the authority to make legal agreements between the State and the Federal Government. (3) Except as provided in paragraph (6), nothing in this subpart shall be construed to authorize the Secretary to require any State to adopt, as a condition for entering into an agreement, a specific State organizational structure.

(4) Except as provided in paragraph (6), nothing in this subpart shall be construed—

(A) as a limitation on the authority of any State to adopt a State organization structure for postsecondary education agencies, or programs, or institutions of higher education as appropriate to the needs, traditions, and circumstances of that State;

(B) as a limitation on the authority of a State entering into an agreement pursuant to this subpart to modify the State organizational structure at any time subsequent to entering into such agreement;

(C) as a limitation on the authority of any State to enter into an agreement for purposes of this subpart as a member of a consortium of States;

(D) as an authorization for the Secretary to withhold funds from any State or postsecondary institution on the basis of compliance with a State's constitution or laws;

(E) as an authorization for any State postsecondary review entity to exercise planning, policy, coordinating, supervisory, budgeting, or administrative powers over any postsecondary institution; or

(F) as a limitation on the use of State audits for the purpose of compliance with applicable standards under section 494C(d).

(5) Nothing in this subpart shall be construed to limit the authority or activities of any State loan insurance program established under section 428(b) of this title or of any relevant State licensing authority which grants approval for institutions of higher education to operate within a State or their authority to contact the Secretary directly.

(6) Notwithstanding the provisions of paragraphs (2), (3), and (4) of this subsection, the Secretary may require each State to designate an entity responsible for the conduct or coordination of the review of institutions under this title.

(b) CONTENTS OF AGREEMENTS.—Agreements between each State and the Secretary shall contain the following elements:

(1) A designation of a single State postsecondary review entity? which represents all entities of that State which are responsible for—

(A) granting State authorization to each institution of higher education in that State for the purposes of this title, and

(B) ensuring that each institution of higher education in that State remains in compliance with the standards developed pursuant to section 494C.

(2) Assurances that the State will review institutions of higher education for the purpose of determining eligibility under this title on a schedule to coincide with the dates set by

the Secretary to certify or recertify such institutions of higher education as provided in section 481 and subpart 3 of this part.

(3) Assurances that the appropriate State postsecondary review entity will perform the functions authorized by this subpart and will keep such records and provide such information to the Secretary as may be requested for financial and compliance audits and program evaluation, consistent with the responsibilities of the Secretary.

(4) A description of the relationship between the State postsecondary review entity designated for the purposes of this subpart and (A) the agency or agencies designated for the purposes of chapter 36 of title 38 of the United States Code, (B) the loan insurance program established under section 428(b) of this title for that State, and (C) the grant agency established under section 415C of this title.

(5) A plan for performing the functions described in section 494C of this subpart.

(C) FEDERAL RESPONSIBILITY.—Notwithstanding any other provision of law, no State shall be required to enter into an agreement with the Secretary under this subpart for performing the review functions required by such agreement unless the Congress appropriates funds for this subpart

(20 U.S.C. 1099a-1) Enacted JULY 23, 1992, P.L. 102-325, Sec. 499, 106 Stat. 635. SEC. 494B. FEDERAL REIMBURSEMENT OF STATE POSTSECONDARY REVIEW COSTS.

(a) PAYMENTS.—Subject to subsection (b), the Secretary shall reimburse the States for the costs of performing the functions required by agreements with the Secretary authorized under this subpart. Such costs shall include expenses for providing initial and continuing training to State personnel and other personnel in the State, including personnel at institutions of higher education subject to review, to serve the purposes of this subpart. Reimbursement shall be provided for necessary activities which supplement, but do not supplant, existing licensing or review functions conducted by the State. The Secretary shall also reimburse such entities for work performed by their subcontractors and consultants where such work has a direct relationship to the requirements of agreements with the Secretary under this subpart.

(b) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of enabling the Secretary to make payments to States which have made agreements with the Secretary under this subpart, there is authorized to be appropriated \$75,000,000 for fiscal year 1993, and such sums as may be necessary for each of the 4 succeeding fiscal years.

(20 U.S.C. 1099a-2) Enacted July 23, 1992, P.L. 102-325, sec. 499, 106 Stat. 637.

SEC. 494C. FUNCTIONS OF STATE REVIEW ENTITIES.

(a) INITIAL REVIEW.—The Secretary shall review all eligible institutions of higher education in a State to determine if any such institution meets any of the criteria in subsection (b). If any such institution meets one or more of such criteria, the Secretary shall inform the State in which such institution is located that the institution has met such criteria, and the State shall review the institution pursuant to the standards in subsection (d). The Secretary may determine that a State need not review an institution if such institution meets the criterion in subsection (b)(10) only, such institution was previously reviewed by the State under subsection (d), and the State determined in such previous review that the institution did not violate any of the standards in subsection (d).

The Secretary shall supply the State with a copy of the institutional audits, required pursuant to section 487(c), for the institutions which shall be reviewed by the State. In addition to those institutions identified by the Secretary, the State may, subject to approval by the Secretary, review additional institutions which meet one or more of the criteria provided in subsection (b), based on more recent data available to the State, or which the State has reason to believe are engaged in fraudulent practices. If the Secretary fails to approve or disapprove a State request to review additional institutions within 21 days, the State may proceed to review such additional institutions as if approved by the Secretary.

(b) REVIEW CRITERIA.—The criteria for the initial review of institutions of higher education are as follows:

(1) A cohort default rate (as defined in section 435(m)) equal to or greater than 25 percent.

(2) A cohort default rate (as defined in such section) equal to or greater than 20 percent and either—

(A) more than two-thirds of the institution's total undergraduates who are enrolled on at least a half-time basis receive assistance under this title (except subparts 4 and 6 of part A); or

(B) two-thirds or more of the institution's education and general expenditures are derived from funds provided to students enrolled at the institution from the programs established under this title (except subparts 4 and 6 of part A and section 428B).

(3) Two-thirds or more of the institution's education and general expenditures are derived from funds provided to students enrolled at the institution pursuant to subpart 1 of part A of this title.

(4) A limitation, suspension, or termination action by the Secretary against the institution pursuant to section 487 during the preceding 5 years.

(5) An audit finding during the 2 most recent audits of an institution of higher education's conduct of the programs established by this title that resulted in the repayment by the institution of amounts greater than 5 percent of the funds such institution received from the programs assisted under this title for any one year.

(6) A citation of an institution by the Secretary for failure to submit audits required by this title in a timely fashion.

(7) A year-to-year fluctuation of more than 25 percent in the amounts received by students enrolled at the institution from either Federal Pell Grant, Federal Stafford Loan, or Federal Supplemental Loans to Students programs, which are not accounted for by changes in these programs.

(8) Failure to meet financial responsibility standards pursuant to subpart 3 of this part.

(9) A change of ownership of the institution that results in a change of control which includes (but is not limited to)—

- (A) the sale of the institution or the majority of its assets;
- (B) the division of 1 or more institutions into 2 or more institutions;
- (C) the transfer of the controlling interest in stock of the institution or its parent corporation;
- (D) the transfer of the controlling interest of stock of the institution to its parent corporation; or
- (E) the transfer of the liabilities of the institution to its parent corporation.

(10) Except with regard to any public institution that is affiliated with a State system of higher education, participation in any of the programs established pursuant to subparts 1 and 3 of part A, part B, part C, and part E of this title for less than 5 years.

(11) A pattern of student complaints pursuant to subsection (j) related to the management or conduct of the programs established by this title or relating to misleading or inappropriate advertising and promotion of the institution's program, which in the judgment of the Secretary are sufficient to justify review of the institution.

(C) USE OF RECENT DATA.—The criteria provided for in subsection (b) shall be measured on the basis of the most recent data available to the Secretary. Institutions may request verification of the data used by the Secretary.

(d) REVIEW STANDARDS.—Institutions which meet 1 or more of the criteria in subsection (b) shall be reviewed by the appropriate State entity in accordance with published State standards that are consistent with the constitution and laws of the State, developed in consultation with the institutions in the State, and subject to disapproval by the Secretary. Such review shall determine the following:

(1) The availability to students and prospective students of catalogs, admissions requirements, course outlines, schedules of tuition and fees, policies regarding course cancellations, and the rules and regulations of the institution relating to students and the accuracy of such catalogs and course outlines in reflecting the courses and programs offered by the institution.

(2) Assurance that the institution has a method to assess a student's ability to successfully complete the course of study for which he or she has applied.

(3) Assurance that the institution maintains and enforces standards relating to academic progress and maintains adequate student and other records.

(4) Compliance by the institution with relevant safety and health standards, such as fire, building, and sanitation codes.

(5) The financial and administrative capacity of the institution as appropriate to a specified scale of operations and the maintenance of adequate financial and other information necessary to determine the financial and administrative capacity of the institution.

(6) For institutions financially at risk, the adequacy of provisions to provide for the instruction of students and to provide

for the retention and accessibility of academic and financial aid records of students in the event the institution closes.

(7) If the stated objectives of the courses or programs of the institution are to prepare students for employment, the relationship of the tuition and fees to the remuneration that can be reasonably expected by students who complete the course or program and the relationship of the courses or programs (including the appropriateness of the length of such courses) to providing the student with quality training and useful employment in recognized occupations in the State.

(8) Availability to students of relevant information by institutions of higher education, including—

(A) information relating to market and job availability for students in occupational, professional, and vocational programs; and

(B) information regarding the relationship of courses to specific standards necessary for State licensure in specific occupations.

(9) The appropriateness of the number of credit or clock hours required for the completion of programs or of the length of 600-hour courses.

(10) Assessing the actions of any owner, shareholder, or person exercising control over the educational institution which may adversely affect eligibility for programs under this title.

(11) The adequacy of procedures for investigation and resolution of student complaints.

(12) The appropriateness of advertising and promotion and student recruitment practices.

(13) That the institution has a fair and equitable refund policy to protect students.

(14) The success of the program at the institution, including—

(A) the rates of the institution's students' program completion and graduation, taking into account the length of the program at the institution and the selectivity of the institution's admissions policies;

(B) the withdrawal rates of the institution's students;

(C) with respect to vocational and professional programs, the rates of placement of the institution's graduates in occupations related to their course of study;

(D) where appropriate, the rate at which the institution's graduates pass licensure examinations; and

(E) the variety of student completion goals, including transfer to another institution of higher education, full time employment in the field of study, and military service.

(15) With respect to an institution which meets 1 or more of the criteria in subsection (b), the State shall contract with the appropriate approved accrediting agency or association (described in subpart 2 of this part) or another peer review system with demonstrated competence in assessing programs (pursuant to the authority contained in subsection (f)) to carry out a renew or provide information regarding such agency's or association's assessment of the following: The quality and content

of the institution's courses or programs of instruction, training, or study in relation to achieving the stated objectives for which the courses or programs are offered, including the adequacy of the space, equipment, instructional materials, staff, and student support services (including student orientation, counseling, and advisement) for providing education and training that meets such stated objectives.

(e) **SUBSTITUTIONS PROHIBITED.**—The appropriate State postsecondary review entity may not substitute either (1) accreditation by a private accrediting agency or body, or (2) compliance audits performed by a State guaranty agency established under section 428(b) of this title, for State review of compliance with the standards in subsection (d).

(f) **STATE CONTRACTS.**—If the appropriate State postsecondary review entity contracts with a private agency or body or an accreditation body or peer review system for assistance in performing State postsecondary review entity functions, such contract shall be provided for in the agreement with the Secretary required by section 494A.

(g) **PROHIBITION ON UNRELATED REQUIREMENTS.**—Notwithstanding any of the provisions of this subpart, the Secretary shall not require a State to establish standards that are unrelated to ensuring institutional or program integrity or that violate the provisions of a State's constitution or laws.

(h) **INSTITUTIONAL ELIGIBILITY.**—A State postsecondary review entity may determine that an institution of higher education shall not be eligible to participate in programs under this title based on its own findings or the findings of a Federal entity in accordance with the following procedures:

(1) **STATE FINDINGS.**—If the appropriate State postsecondary review entity finds that an institution of higher education does not meet one or more of the standards in subsection (d) of this section, such State postsecondary review entity shall notify the Secretary of its findings and the actions that such entity is taking, or has taken, in response to such findings within a time period prescribed by the Secretary by regulation. If a State postsecondary review entity determines an institution of higher education shall not be eligible for participation in programs under this title, such State postsecondary review entity shall so notify the Secretary. Upon receipt of such notification of ineligibility, the Secretary shall immediately terminate the participation of such institutions in the programs authorized by this title.

(2) **SECRETARY'S FINDINGS.**—If the Secretary or any other Federal entity takes, or plans to take, any action against any institution of higher education (including any actions taken under section 487), the Secretary shall notify the appropriate State postsecondary review entity (or entities, in the case of multi-State institutions) of such action within a time period prescribed in the Secretary's regulations.

(3) **PROCEDURAL PROTECTIONS FOR DISAPPROVAL.**—The Secretary shall, by regulation, prescribe minimum procedural standards for the disapproval of institutions of higher edu-

cation by the appropriate State postsecondary review entity or entities for purposes of this title.

(i) LIMIT ON STATE POSTSECONDARY REVIEW AGENCY FUNCTIONS.—The functions of State postsecondary review entity shall not include performing financial and compliance audits as may be required under section 428 or 487 of this Act.

(j) CONSUMER COMPLAINTS.—A State, in consultation with the institutions of higher education in the State, shall establish and publicize the availability of procedures for receiving and responding to complaints from students, faculty, and others about institutions of higher education and shall keep records of such complaints in order to determine their frequency and nature for specific institutions of higher education.

(k) ENFORCEMENT MECHANISMS.—Nothing in this subpart shall restrict the authority of the States to establish mechanisms to enforce the standards established under subsection (d) or require the States to establish specific mechanisms recommended by the Secretary.

(20 U.S.C.1099a-3) Enacted July 23,1992, P.L.102-325, sec.499,106 Stat.637.

Status Report on State Postsecondary Review Programs (SPREs)

State	SPRE Designated	Agreement Received	Agreement Approved	Plan Received	Plan Approved
Ala.	SHEEO	✓	✓	✓	✓
Alaska	SHEEO	✓	✓	✓	✓
Ariz.	Arizona Commission for Postsecondary Education	✓	✓	✓	✓
Ark.	SHEEO	✓	✓	✓	✓
Calif.	SHEEO	✓	✓	✓	✓
Colo.	SHEEO	✓	✓	✓	✓
Conn.	SHEEO	✓	✓	✓	✓
Del.	SHEEO	✓	✓	✓	✓
D.C.	Education Licensure Commission	✓	✓	✓	✓
Fla.	Florida Department of Education	✓	✓	✓	✓
Ga.	Georgia Student Finance Commission	✓	✓	✓	✓
Hawaii	SPEC	✓	✓	✓	✓
Iowa	Iowa Coordinating Council for Post-High School Education	✓	✓	✓	✓
Idaho	SHEEO	✓	✓	✓	✓
Ill.	Illinois Student Assistance Commission	✓	✓	✓	✓
Ind.	SHEEO	✓	✓	✓	✓
Kans.	Pending legislative action				
Ky.	SHEEO	✓	✓	✓	✓
La.	Louisiana Postsecondary Review Commission	✓	✓	✓	✓
Maine	Maine Department of Education	✓	✓	✓	✓
Md.	SHEEO	✓	✓	✓	✓
Mass.	SHEEO	✓	✓	✓	✓
Mich.	Michigan Department of Education	✓	✓	✓	✓
Minn.	SHEEO	✓	✓	✓	✓
Miss.	SHEEO	✓	✓	✓	✓
Mo.	SHEEO	✓	✓	✓	✓
Mont.	SHEEO	✓	✓	✓	✓
Nebr.	SHEEO	✓	✓	✓	✓
Nev.	SHEEO	✓	✓	✓	✓
N.H.	SHEEO	✓	✓	✓	✓
N.J.	SHEEO	✓	✓	✓	✓
N.M.	SHEEO	✓	✓	✓	✓
N.Y.	SHEEO	✓	✓	✓	✓
N.C.	State Postsecondary Eligibility Review Commission	✓	✓	✓	✓
N.Dak.	SHEEO	✓	✓	✓	✓
Ohio	Ohio State Postsecondary Review Entity	✓	✓	✓	✓
Okla.	SHEEO	✓	✓	✓	✓
Oreg.	Office of Educational Policy and Planning	✓	✓	✓	✓
Pa.	SHEEO	✓	✓	✓	✓
P.R.	SHEEO	✓	✓	✓	✓
R.I.	Rhode Island Office of Higher Education	✓	✓	✓	✓
S.C.	SHEEO	✓	✓	✓	✓
S.Dak.	SHEEO	✓	✓	✓	✓
Tenn.	SHEEO	✓	✓	✓	✓
Tex.	SHEEO	✓	✓	✓	✓
Utah	SHEEO	✓	✓	✓	✓
Vt.	SHEEO	✓	✓	✓	✓
Va.	SHEEO	✓	✓	✓	✓
Wash.	SHEEO	✓	✓	✓	✓
W.Va.	SHEEO	✓	✓	✓	✓
Wis.	Higher Educational Aids Board	✓	✓	✓	✓
Wyo.	Wyoming Department of Education	✓	✓	✓	✓
SHEEO = State Higher Education Executive Officer					

*Received after published deadline.

Kansas State Board of Education

120 S.E. 10th Avenue, Topeka, Kansas 66612-1182

February 17, 1994

TO: House Education Committee
FROM: State Board of Education
SUBJECT: 1994 House Bill 2566

My name is Rod Bieker, and I am General Counsel for the State Department of Education. It is a pleasure for me to appear before this Committee on behalf of the State Board.

House Bill 2566 is a bill which is needed because of recent changes in the federal law concerning financial aid for students enrolled in postsecondary educational institutions. This includes public and private colleges and universities, community colleges, area vocational-technical schools, proprietary schools, and schools of barbering and cosmetology.

When Congress amended the federal Higher Education Act, it added provisions which impose new responsibilities upon each state. These provisions are intended to address student loan default problems.

Under these new federal provisions, each state is required to designate one entity to conduct reviews of postsecondary educational institutions which are referred to the state for review by the U.S. Secretary of Education. Also, under this new federal legislation, each state must enter into an agreement with the U.S. Secretary of Education under which the state agrees to comply with the federal law. Any state which does not enter into such an agreement is subject to financial consequences in regard to student aid.

The provisions of HB 2566 call for the State Board of Education to be designated as the entity in the state of Kansas that is responsible for carrying out those activities required by these new federal provisions. The functions that the State Board is to carry out under this bill are those which are specified in the federal legislation. Also, a committee is recommended to oversee the manner in which the State Board exercises the authority conferred upon it by this law. This committee serves in an oversight capacity.

So, in summary, the provisions of HB 2566 are presented to you for your favorable action so the state of Kansas can comply with this new federal law. This will allow postsecondary students in Kansas the opportunity to participate in federal student aid programs.

On behalf of the State Board, I request your favorable action on this bill.

Office of General Counsel
(913) 296-3204

House Education
Feb. 17, 1994
Attachment 2

SPRE ADVISORY COMMITTEE

	<u>CURRENT</u> HB-2566	<u>PROPOSED</u>
Regents	2	same
Independent Colleges	2	same
Department of Education	2 (unspecified)	3 (1 vo tech 1 community college 1 proprietary school)
Washburn University	2	1
Barber Board	2	1
Cosmetology Board	2	1
	-----	-----
TOTAL	12	10

John Peterson
As Asn of Private Career
Schools

House Education
Feb. 17, 1994
Attachment 3

conducts, the board shall have power to conduct such investigation, administer oaths, take depositions, and issue subpoenas to compel the attendance of witnesses and the production of books, papers, documents and testimony. If any person refuses to obey any subpoena so issued, or refuses to testify or produce any books, papers, or documents, the KPR board, or any member thereof, may present a petition to the district court of the judicial district in which any investigation is being conducted, setting forth the facts, and thereupon the court, in a proper case, shall issue its subpoena to such person, requiring attendance before the court and there to testify or to produce such books, papers and documents as may be deemed necessary and pertinent by the KPR board. Any person failing or refusing to obey the subpoena or order of the district court may be proceeded against for contempt in the same manner as for refusal to obey any other subpoena or order of the court. Hearings before the KPR board shall be conducted in accordance with the provisions of the Kansas administrative procedure act.

Sec. 7. (a) There is hereby established the Kansas postsecondary review program oversight committee which shall consist of ~~twelve~~ ^{ten} members, as follows: (1) ~~Two~~ ^{Three} members appointed by the state board of education; (2) two members appointed by the state board of regents; (3) ~~two~~ ^{one} member appointed by the board of barbering; (4) ~~two~~ ^{one} member appointed by the board of cosmetology; (5) ~~two~~ ^{one} member appointed by the board of regents of Washburn University; and (6) two members appointed by the executive committee of the Kansas Independent College Association.

one of whom shall represent area vocational technical schools, one of whom shall represent community colleges and one of whom shall represent proprietary schools

(b) Each member of the oversight committee shall serve until a successor is appointed. Vacancies in the membership of the committee shall be filled in the same manner as membership was originally filled.

(c) A chairperson and vice-chairperson of the committee, and such other officers as deemed appropriate by the committee, shall be elected by the membership of the committee.

(d) The committee shall hold meetings at such times and places as it deems necessary, on call of the chairperson or any three members of the committee.

(e) Each member of the committee attending meetings of such committee, or attending a subcommittee meeting thereof authorized by such committee, or performing any functions imposed on the member by such committee, shall be paid compensation, subsistence allowances, mileage and other expenses as provided in K.S.A. 75-3223, and amendments thereto. Amounts paid under this subsection to each member of the committee shall be paid from appropriations

John P. [Signature]

Proposed Amendment to House Bill No. 2768

On page 1, in line 22, after "following" and inserting "when such disobedience can reasonably be anticipated to result in disorder, disruption or interference with the operation of any public school or substantial and material impingement upon or invasion of the rights of others";

Also on page 1, line 27, by inserting after "conduct", "which endangers the safety of others or"; in line 28, after "others", inserting ~~"on school property or during school events."~~)

Also on page 1, in line 40, by striking all after "authority"; by striking all of lines 41 and 42; by striking all in line 43 prior to ".";

On page 2, in line 17, by striking "(1)" and inserting "(A)"; in line 18, by striking "(2)" and inserting "(B)"; in line 19, by striking "(3)" and inserting "(C)"; in line 21, by striking "(4)" and inserting "(D)";

On page 8, in line 3, after "suspension", by striking the comma and inserting "or"; also in line 3, by striking ", or permanent exclusion".

See below

"at school, on school property or at a school supervised activity"

House Education
Feb. 17, 1994
Attachment 4