

Approved: 3-21-11  
Date

## MINUTES OF THE HOUSE EDUCATION BUDGET COMMITTEE

The meeting was called to order by Chairwoman Lana Gordon at 3:30 pm on , March 7, 2011 in Room 159-S of the Capitol.

All members were present except:  
Brenda Landwehr – excused  
Valdenia Winn - excused

Committee staff present:  
Jason Long, Revisor, Office of the Revisor of Statutes  
Reagan Cussimano, Fiscal Analyst, KLRD  
Bernadine Lloyd, Committee Assistant

Conferees appearing before the Committee:  
Robert Vancrum, Government Affairs Specialist  
Gary George, Asst. Superintendent, Olathe Public Schools  
Jacqueline Johnson, Director, Private Postsecondary Education  
Jeremy Cooper, Director, Pinnacle Career Institute, Lawrence, Ks.  
Robert Otto, Director, Kansas College of Nursing  
Irene Navaraes, Court Reporting, Institute of KC.  
Sherry C. Diel, Director, Ks. Real Estate Commission

Others attending:  
See attached list.

Hearings on:  
**SB 21 - School districts; use of funds from tax levies on motor vehicles and recreational vehicles.**  
**SB 41 - Private and out of state postsecondary educational institution act; fees.**

Jason Long, Revisor, gave a short synopsis of the bills.

Dale Dennis, Commissioner of Education, gave a brief clarification on **SB 21**.

### Proponents of **SB 21**:

Robert Vancrum, Government Affairs Specialist, submitted and presented testimony that this bill merely authorizes the use of the tax revenue already raised by an authorized levy within said districts. (Attachment 1)

Gary George, Asst. Superintendent, Olathe Public Schools, submitted and presented testimony that this bill is a technical correction to an existing statute (K.S.A. 72-6441) which allows districts to levy a property tax for the difference in what we receive in new facility weighting and the amount required to open the facility. (Attachment 2)

### Proponents of **SB 41**:

Jacqueline Johnson, Director, Private Post secondary Education, submitted and presented testimony that this legislation helps to ensure that Kansas students receive a quality education from this sector by providing the resources necessary to enhance the Division's capacity for due diligence in order to protect consumers. Further, the Private postsecondary division has received widespread support from this sector in advocating for passage of this legislation. (Attachment 3)

Irene Navaraes, Court Reporting, Institute of KC, submitted and presented testimony about private postsecondary schools in Kansas that would benefit from this legislation. One of the provisions specifically is to lower the minimum fees charged to smaller schools in Kansas so we are better able to thrive in this challenging economy. (Attachment 4)

Jeremy Cooper, Director, Pinnacle Career Institute, Lawrence, Ks, submitted and presented testimony that in order for the Board of Regents to carry out its statutory regulatory responsibilities the bill makes permanent the categories and fee levels established by the 2010 Legislature that the Board of Regents charges to private and out-of-state postsecondary educational institutions. (Attachment 5)

Sherry C. Diel, Director, Ks. Real Estate Commission, submitted and presented testimony that the Commission supports a statute whereby the KBOR can set fees by regulation for approval as private and out of state postsecondary institutions at reasonable rates taking into consideration the size of enrollment for small schools that provide curriculum for professional licensing agencies. (Attachment 6)

A question and answer session followed each presentation.

The next meeting is scheduled for March 8, 2011, in 159-S.

The meeting was adjourned at 4:20 pm.

EDUCATION BUDGET COMMITTEE

3:30pm

Room 159S, State Capitol

GUEST LIST

DATE: 3-7-11

NAME	REPRESENTING
Ang George	Olata Schools
BREY ARNOLD	PINEGAR + SMITH
KOB MEALY	KEARNEY & ASSOC.
Doug Mays	Bridgestone Education
Mark Tallman	KASB

Testimony to  
House Education Budget Committee  
on SB 21  
Robert J. Vancrum, Government Affairs Specialist for  
Blue Valley USD #229  
March 7, 2011

Chairman Gordon and other Honorable Representatives:

Currently tax revenue on motor vehicles is collected for the ancillary new facilities fund, cost of living fund, and declining enrollment fund, and it is returned to the districts who levied the tax as per a recent AG opinion but those districts do not have the authority to use or spend these funds.

The tax revenue raised from just this portion of these three levies merely goes into a fund and cannot currently be used to lower the mill levy. This bill merely authorizes the use of the tax revenue already raised by an authorized levy within said districts.

This does not give these districts additional spending authority. There is also no fiscal note to the state.

I would be happy to stand for questions.



February 3, 2011

TO: Representative Lana Gordon, Chair, and Members of the House Education Budget Committee on

FROM: Gary George, Ed.D., Assistant Superintendent of Schools  
Olathe Public Schools

SUBJECT: Senate Bill 21, Tax Levies on Motor and Recreational Vehicles

I am present today to seek your support of Senate Bill 21. This bill is a technical correction to an existing statute; K.S.A. 72-6441. This statute allows districts to levy a property tax for the difference in what we receive in new facility weighting and the amount required to open the facility. When the tax amount is identified, the county applies the tax to real estate and, as a by-product, to motor and recreational vehicles, producing excess revenue beyond what the Court of Tax Appeals has authorized. The excess revenue was remitted to the state.

An attorney general's opinion indicated that existing statutes make it clear that motor vehicles were taxed in a different way. This now brings us to Senate Bill 21. Senate Bill 21 helps clarify that the state board shall include any moneys which have been apportioned to the ancillary facilities fund of the district from taxes levied under the provisions of K.S.A. 79-5101 et seq. and 79-5118 and amendments. The two statutes define motor vehicle and recreational vehicle.

There are several things to keep in mind about this requested change. It only impacts three funds:

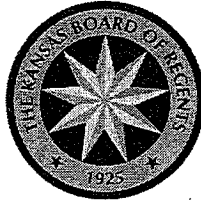
- Ancillary facility weighting
- Cost of Living
- Declining enrollment

The change does not cost the state any money. The change does not take any money from other districts in the state. Only a very small number of districts will be impacted by this change. For the districts impacted, the mill levy for these funds will decline slightly.

Your support of this bill would be very much appreciated.

Thank you.

House Education Budget Committee  
Date: March 7, 2011  
Attachment #: 2



KANSAS BOARD OF REGENTS

HOUSE EDUCATION BUDGET COMMITTEE

March 7, 2011

*Testimony in Support of Senate Bill 41*

**Jacqueline Johnson**  
**Director, Private Postsecondary Education**

Chairwoman Gordon and members of the Committee, thank you for the opportunity to provide testimony in support of Senate Bill 41, legislation that proposes revisions to the statutes the Board of Regents implements through its Private Postsecondary Division. Senate Bill 41 was originally introduced by the Legislative Educational Planning Committee and was unanimously approved by the Senate on February 22.

The Board's Private Postsecondary Division's principal responsibility is to regulate private postsecondary sector institutions. This regulation involves such activities as authorizing private or out-of-state postsecondary institutions to operate in Kansas, reviewing new programs offered by these schools, preparing annual evaluations of institutions and programs for renewal purposes, and investigating complaints leveled against these schools.

This bill makes permanent the new categories and fee levels established by the 2010 Legislature that the Board of Regents charges private and out-of-state postsecondary educational institutions in order to carry out its statutory regulatory responsibilities. The 2010 legislation included a one-year sunset provision, and one concern expressed at that time was the difference in the Board's minimum number of credit hours required for a baccalaureate degree (124) and the minimum number required in most states (120). This issue was resolved by the Board in the fall of 2010 through approval of a revision to the policy. Therefore, Senate Bill 41 would: (1) make the statutory fee structure permanent; (2) grant the Board of Regents rule and regulation authority to set fees within the statutory limits; and (3) lower the minimum fees charged to smaller schools in Kansas so they are better able to thrive.

We are currently in the midst of remarkable growth in the number and complexity of large institutions in the Private Postsecondary sector, both across the United States and in Kansas. For example, from January 2007 to December 2010 the number of approved institutions in Kansas increased 39.2% (from 107 to 149). In that same period, the number of approved academic programs increased 337% (from 567 to 2,481). This growth is expected to continue for the next several years.

It is important to note that the institutions applying to operate and offer programs in Kansas now include multi-billion dollar/Fortune 500 type institutions like the University of Phoenix and

★ LEADING HIGHER EDUCATION ★

Kaplan University, which is owned by the Washington Post Corporation. In addition, degree program requests are moving toward the more complex bachelor, master and doctorate degrees and away from less complicated certificate and diploma programs.

The Board's Private Postsecondary Division has hired two full-time persons in the last year, for a current total of four staff members. As noted above, new institutions and programs/degrees seeking approval are projected to at least double the current Division's workload in the very near future.

I also want to emphasize that implementation of the proposed changes will enable the Division to operate on a business model, tracking all costs to operate, and setting fees at a level that will cover those costs and eliminate any reliance on State General Funds to cover both direct and indirect costs.

The proposed changes follow a nationwide trend to increase fees in response to the growth in the industry, and the rates we seek to put in place are comparable to those charged in states similar to Kansas. Fees for states surrounding Kansas, for example, although varied in their structure, have either been increased, or are proposed to increase, in response to industry trends.

As the State Budget Director noted in the bill's fiscal note: "The budget for the Board of Regents recommended by the Governor for FY 2012 assumes continuation of the current fee structure. If the bill is not enacted, fees would revert back to the 2003 fee structure and revenues and expenditures would decline by approximately by \$500,000. Given the current and increasing demands by this industry, the Board would not be able to keep up with the new institutions seeking approval or the current approved institutions seeking to add new programs."

This legislation helps to ensure that Kansas students receive a quality education from this sector by providing the resources necessary to enhance the Division's capacity for due diligence in order to protect consumers. Further, the Private Postsecondary Division has received widespread support from this sector in advocating for passage of this legislation. Thank you for your consideration of Senate Bill 41. I am happy to answer any questions you may have.

**COURT REPORTING  
INSTITUTE  
OF KANSAS CITY**

**HOUSE EDUCATION BUDGET COMMITTEE**

**March 7, 2011**

*Testimony in Support of Senate Bill 41*

**Irene Narvaez, CRI**

**Director, Court Reporting Institute of Kansas City**

Chairwoman Gordon and members of the Committee, thank you for the opportunity to provide testimony in support of Senate Bill 41. I am here at the invitation of Jacqueline Johnson to be the voice of the small, private postsecondary schools in Kansas that would benefit from this legislation. One of the provisions specifically is to lower the minimum fees charged to smaller schools in Kansas so we are better able to thrive in this challenging economy. Please allow me to explain by sharing the story of my school.

Court Reporting Institute of Kansas City (CRIKC) opened in September 2004 as the sister school of Oklahoma College of Court Reporting (OCCR) and at the invitation of the Kansas Court Reporters Association. OCCR has been in operation since 1995. The court reporting program at CRIKC is designed to produce stenographic reporters in as short and straightforward a time as possible. Students who complete the program may go on to entry level positions in the following areas: Courthouse official, freelance reporting, scoping, medical transcription, conference and convention reporting, captioning, or CART (Communication Access Realtime Translation). Emphasis throughout the program is to prepare students to pass state or national certification tests so they may work as a professional in the specialization of their choice, as soon as possible.

CRIKC has been an upstanding member of the Kansas Board of Regents from the start. The Board conducted an initial review before the school opened to ensure the quality and relevance of the program. Annually, the Board elicits a site, program, and staff review to verify its continued quality. CRIKC is also an associate member of the National Court Reporters Association (NCRA) and like the Board of Regents, it too conducts annual reviews to assure the quality of its member programs. Schools affiliated with the NCRA are among the best court reporting schools to attend to prepare students to pass either their state or national certification tests. The instructors at CRIKC are Certified Reporting Instructors (CRI), as designated by the NCRA. Since 2004, CRIKC has proudly been the host site for the NCRA's national certification

COURT REPORTING INSTITUTE OF KANSAS CITY

5400 W. 61<sup>st</sup> Place, Suite 160, Mission, Kansas 66205 913-432-3315 / 913-432-3991 Fax

House Education Budget Committee

Date: March 7, 2011

Attachment #: 4



test, the RPR, which stands for Registered Professional Reporter. The state of Kansas recognizes the RPR as certification to become a licensed court reporter in lieu of the state test.

CRIKC exists to provide **gainful employment** to the students that complete our program. We require students to intern before making a final career choice. By maintaining good relationships with relevant employers in the metropolitan area, we can help steer students to the employer offering the best fit, be that the court house in Topeka or Wyandotte County, or freelance agencies such as Suddreth & Associates, Hostetler & Associates, Midwest Litigation Services, Metropolitan, or Appino Biggs.

Court reporting is a skill in great demand and there is a national shortage of reporters. Though few may know about the profession and some may think it's obsolete, the opposite is true. An example of its immediacy and relevance is President Obama's signing just last October of the 21<sup>st</sup> Century Communications and Video Accessibility Act which mandates closed captioning on any video that is first broadcast on television and then appears on the Internet. Although there is special federal funding available for schools offering court reporting programs, the institution must be Title IV eligible, which CRIKC at the moment is not. Small schools such as us are left to fend for ourselves when it comes to financial aid for our students.

Up until May 2008 we were fortunate to be partnered with SallieMae which offered career loans, however with the downturn in the economy, that source of funding has dried up. At the present time 95% of our students pay tuition out of their own pocket. Even though our tuition rates have not changed in four years and are among the lowest in the nation for comparable programs, it is still a great sacrifice for students to attend. Our yearly tuition for day program is \$5,220 and the night program is \$4,380. We adopted recently a new student incentive, with Board approval, by cutting tuition in half for new students for the first six months of the program. Even with these measures, our enrollment has steadily dropped because of severely limited financial aid options. In order to plan for the future we are currently in the process of seeking national accreditation through ACCET in order to apply for Title IV funding, however, this process is costly and very slow. We cannot afford any additional expenses such as high annual membership fees from the Board of Regents. That is the bottom line of why I am here today.

I would like you to imagine you are one of my night students, who, after putting in eight hours at her day job, comes to class for another three hours of work, all with the dream of making a better life through the high income potential of court reporting. CRIKC is a self-paced program that does not lock in a student to endless years of schooling. We want our students to succeed and make a meaningful contribution to society. But we cannot do that if we are nickel and dimed into shutting our doors.

Thank you for listening to my story and your thoughtful consideration.



## HOUSE EDUCATION BUDGET COMMITTEE

March 7, 2011

### *Testimony in Support of Senate Bill 41*

**Jeremy Cooper**

**Executive Director Pinnacle Career Institute Lawrence**

Chairwoman Gordon and members of the Committee, thank you for the opportunity to speak today. My name is Jeremy Cooper and I am the Executive Director of Pinnacle Career Institute (PCI) in Lawrence Kansas. PCI Lawrence has approximately 130 students with approved programs in Medical Assistant, Massage Therapy, Wind Turbine Technician and Health Information Technology all currently enrolling new students. Over the last 3 years I have served on the Kansas advisory commission on private and out-of-state postsecondary educational institutions. These roles have given me the opportunity to work closely with the Board's Private Postsecondary Division.

The Board's Private Postsecondary Division's principal responsibility is to regulate private postsecondary sector institutions like PCI. This regulation involves such activities as authorizing private or out-of-state postsecondary institutions to operate in Kansas, reviewing new programs offered by our schools, preparing annual evaluations of institutions and programs for renewal purposes, and fairly investigating complaints leveled against us.

The services that we are provided by this division of the board of regents are crucial to our growth as an organization. They have been instrumental in providing insight on training needs within the state and insuring that all new programs will benefit our students and the state of Kansas. They openly provided additional information on employment trends and state needs. Upon more than one occasion they have provided PCI with proper direction in seeking information needed to determine the viability of new program development. This has led to both the pursuit of new programming and a dismissal of new programming areas.

As a campus leader and someone that has a vested interest and desire for all education offered to students to lead to quality of life improvements on a strong career path, I believe that the partnership style relationship that the Board's Private Postsecondary Division has developed with schools like ours will continue to strengthen the quality of education in Kansas. Providing the department rules and regulation authority to set fees within the statutory limits will only help to ensure that Kansas students receive a quality education from this sector by providing the resources necessary to enhance the Division's capacity for due diligence in order to protect consumers. Thank you for your time and consideration. I am happy to answer any questions you may have.



## KANSAS BOARD OF REGENTS

Kansas Private Postsecondary Education Advisory Commission

March 7, 2011

Representative Lana Gordon, Chairwoman  
House Education Budget Committee  
Statehouse, Room 151-S  
Topeka, KS 66612

Representative Valdenia Winn, Ranking Member  
House Education Budget Committee  
Statehouse, Room 451-S  
Topeka, KS 66612

Dear Chairwoman Gordon and Ranking Member Winn:

On behalf of the Kansas Private Postsecondary Education Advisory Commission, I write to you in support of Senate Bill 41.

As you may know, the Kansas Private and Out-of-State Postsecondary Educational Institution Act (K.S.A. 74-32, 166) gives the Board of Regents responsibility for appointing the nine-member Private Postsecondary Advisory Commission. The Commission may recommend to the Regents such policies, minimum standards and rules and regulations that the Commission deems necessary for administering the provisions of this act. That being said, the Commission endorses the passage of Senate Bill 41.

We are currently in the midst of remarkable growth in the number and complexity of large institutions in the private postsecondary sector, both across the United States and in Kansas. For example, from January 2007 to December 2010 the number of approved institutions in Kansas increased 39.2% (from 107 to 149). In that same period, the number of approved academic programs increased 337% (from 567 to 2,481). This growth is expected to continue for the next several years.

One of the Board of Regents' responsibilities is to regulate the private postsecondary sector institutions. This regulation involves such activities as authorizing private and out-of-state postsecondary institutions to operate in Kansas by reviewing new programs, preparing annual evaluations, and investigating complaints. In order for the Board of Regents to carry out its statutory regulatory responsibilities, Senate Bill 41 makes permanent the categories and fee levels established by the 2010 Legislature that the Board of Regents charges to private and out-of-state postsecondary educational institutions. The 2010 legislation included a one-year sunset provision, which is why Senate Bill 41 is so important.

The Commission thanks you for your consideration and respectfully urges you to approve this legislation.

Respectfully Yours,

Jeremy Cooper  
Kansas Private Postsecondary Advisory Commission  
Director, Pinnacle Career Institute, Lawrence, KS

★ LEADING HIGHER EDUCATION ★

Kansas Real Estate Commission  
Three Townsite Plaza, Suite 200  
120 SE 6<sup>th</sup> Avenue  
Topeka, Kansas 66603



phone: 785-296-6951  
fax: 785-296-1771  
sherry.diel@krec.state.ks.us  
www.kansas.gov/krec/

Sherry C. Diel, Director

Sam Brownback, Governor

Memo To: House Education Budget Committee  
From: Sherry C. Diel, Executive Director  
Date: March 7, 2011  
RE: SB 41—Proponent—Private and out of state postsecondary educational institutions act; establishing fees by regulation

Chairperson Gordon and members of the House Education Budget Committee, the Kansas Real Estate Commission (Commission) supports the Kansas Board of Regent's (KBOR) ability to set reasonable fees by regulation at a lower rate than the statutory cap based upon the size of the school's enrollment.

The Kansas Board of Regents approves certificates for private and out of state postsecondary educational institutions that provide pre-license and continuing education courses required by the Commission's statutes and regulations for real estate salespersons and brokers. The Commission approves the real estate curriculum and the instructors for the courses after the school is approved by the KBOR. During the 2010 Legislative Session, legislation was passed that increased the fees charged by KBOR to approve schools' requests for original and renewal certifications as private and out of state postsecondary institutions and established a new fee for branch offices. The legislation did not allow the KBOR to set a lower fee by regulation.

After the 2010 legislation was passed, the Commission received several complaints from schools that offered real estate curriculum about the high cost to renew their certification as private or out of state postsecondary educational institutions. A long-time provider of real estate curriculum decided that it was no longer cost effective to maintain its status as a private postsecondary school.

The Commission supports a statute whereby the KBOR can set fees by regulation for approval as private and out of state postsecondary institutions at reasonable rates taking into consideration the size of enrollment for small schools that provide curriculum for professional licensing agencies.

Thank you for your consideration.

House Education Budget Committee  
Date: March 7, 2011  
Attachment #: 6