



**PROPONENT Testimony on HB 2341
For the House Taxation Committee
February 20, 2017**

**Matt Lindsey
President, Kansas Independent College Association**

Testimony:

Chairman Johnson and members of the committee, thank you for the opportunity to provide testimony as a proponent for House Bill 2341. Kansas' independent colleges have found the Rural Opportunity Zones program to be a useful tool to recruit talented faculty and in our efforts to keep more of our graduates working in Kansas, especially in rural counties.

Kansas' Independent Colleges:

KICA represents the nineteen independent colleges of Kansas, all of whom are not-for-profit institutions of higher education, all of whom offer undergraduate degrees, and all of whom are regionally accredited by the Higher Learning Commission. Among those are the state's oldest institution – Baker University in Baldwin City, founded in 1858 – and the state's youngest non-proprietary institution – MidAmerica Nazarene University in Olathe, founded in 1966. Despite deep faith-based roots, all of our institutions maintain an open enrollment policy. We each accept any academically eligible and qualified student regardless of religion, gender, race, or national origin.

While we use the word “independent” to describe our colleges and universities, in casual language, one can substitute “private” or “nonprofit.” Each of our institutions are separately governed by their own board of trustees and we are not governed by, coordinated by, or required to obtain further authorization from the Kansas Board of Regents. “Independent” also reflects the fact that our colleges receive no direct institutional funds from the state of Kansas, or from county or local property taxes. The only public funding that typically flows to our colleges comes to us from our students themselves, via student grants and scholarships and federal student aid programs.

This academic year, Kansas' independent colleges and universities are serving 24,705 students. That works out to approximately 12% of the total college student population in Kansas. As for outcomes, last year, our colleges graduated 20% of the bachelor's degrees awarded in Kansas, and 24% of the master's degrees awarded.

KICA and the ROZ Program:

Of the current 77 counties eligible for ROZ participation, two are home to the main campus of a KICA institution (Marion County/Tabor College and Rice County/Sterling College). An additional 21 ROZ eligible counties are immediately adjacent to the county in which 13 KICA main campuses are located. Thus, 15 of the 18 KICA main residential campuses are in or adjacent to an ROZ county. Furthermore, nine KICA satellite campuses are adjacent to one or more ROZ counties (5 in Sedgwick, 2 in Shawnee, 2 in Ford, 1 in Riley).

With this geographic proximity, several KICA colleges have used the program to recruit talented faculty. For instance, Tabor College, in Hillsboro, KS, has used the five-year state income tax benefit to recruit

nearly a dozen top faculty members who would not likely have otherwise considered an academic posting to Tabor. Sterling College, in Sterling, KS, has begun using the program this way as well. The ROZ program is helping both of these colleges increase their ability to meet the mission of providing high quality, character-driven college education while still maintaining a lower cost of providing that education. ROZ use is a piece of the puzzle that has allowed KICA colleges to charge a more affordable tuition. For nine years in a row, the average “sticker price” at KICA colleges has been at least 25% below the national average for private colleges.

Our colleges also use the ROZ program to encourage our graduates to stay in the state and pursue careers in rural Kansas. ROZ student loan benefits are often the tipping point benefit that convinces a student to choose a rural county opportunity over one in Wichita or Johnson County. As of 2015, 8% of the total statewide applicants for the ROZ student loan benefit were KICA alumni. Of those, 82% applied after 2013, indicating that as awareness of the ROZ program has grown, more KICA students have seen its appeal.

While we do not yet have data on the specific career pathways of these students, it is likely that many of them are choosing to become educators and health care providers in these rural counties. Our private institutions are particularly invested in service-oriented careers like health care, education, social work, and ministry. Of the students in Kansas who completed bachelor’s degrees in nursing last year, 45% came from a KICA institution. For teachers, 23% came from a KICA institution. Given the lower starting salaries for rural educators and nurses that often prevail – often stark in comparison with those in more urban or suburban settings – it would be intuitive that these graduates are drawn to the ROZ program and that rural counties would be interested in recruiting and assisting these students.

Cowley County and Southwestern College

KICA supports the addition of Cowley County to the list of ROZ counties. Southwestern College is a founding member of the KICA and is based in Winfield. By adding Cowley to the ROZ county list, Southwestern could more effectively recruit distinguished faculty to move to Winfield and the surrounding communities, strengthening the institution’s academic profile while limiting the budgetary impact and thereby keeping tuition in check. Furthermore, by adding Cowley County to the ROZ program, more Southwestern College graduates, as well as graduates from other private colleges, would be incentivized to stay in the region. This will help us continue to make Kansas’ private colleges an attractive option for college students and thereby an increasing source for “brain gain” for the state.

Thus, we offer our strong support for HB 2341 and hope the committee will recommend it for passage. Thank you for the opportunity to come before you on this issue. I am happy to answer any questions you may have or provide additional data as you request.