



**Proponent Testimony on HB 2209
For the House Taxation Committee
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Testimony:

Chairman Kleeb and members of the committee, thank you for the opportunity to provide testimony as a proponent for House Bill 2209. Kansas' independent colleges believe strongly in the utility of the individual development account program as a tool to help Kansans with fewer financial assets still afford a high-quality college education and to complete their degree on-time.

Kansas' Independent Colleges:

KICA represents the eighteen 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.” But the word independent is central to who our colleges are and what we are about. It means that each college is separately governed by its own board of trustees and that we are not governed by, coordinated by, or required to obtain 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. We raise the money for the rest of our operating costs on our own, through private sources. For instance, last year, we raised nearly \$128 million from private sources just to give as scholarships and grants to our students. That \$128 million makes us collectively the single largest private charity in the state.

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.

Because they relate to the purposes of IDA programs and HB 2209, two persistent myths about private (or independent) colleges are worth dispelling. These myths are not true about private colleges in general, but are especially untrue when looking at Kansas' private colleges.

The first is that private colleges are only for the privileged. This is not true. Nearly 42% of our students would be defined as having financial need because they are eligible for the federal Pell Grant program. Nearly a third of our undergraduate students are the first in their family to attend college. What we're most

proud of is that those students do particularly well at our type of college –, 70% of first-generation students who attend a private college graduate on-time, compared to only 57% who attend a public four-year university, according to the U.S. Department of Education.

A second story you often hear is that private colleges are too expensive, that private college tuition has run amok. However, this too is more myth than reality, especially in Kansas. For seven consecutive years, the average “sticker” price to attend a KICA college has been at least 25% below the national average for private colleges, and our rate of increase over the past decade has been less every year than the rate of increase for public or private colleges. We are working diligently to hold the line on college costs in spite of mounting challenges, and I’m proud of the work our 18 independent colleges have undertaken to remain affordable.

KICA and IDAs:

This year, KICA in partnership with Interfaith Housing Services, launched a new pilot project with two of our campuses to offer IDAs to students who met the income guidelines and were working their way through college. The objective is to help working students – who are so often some of our most dedicated – save the resources to not only complete their degree, but to complete it on time. The program is a perfect fit for our colleges and our shared mission to give personal attention to each student so that they can earn a high-quality, high-character college degree. Moreover it helps make it possible for those students for whom a small, often values-centered college experience is a best fit can take advantage of that opportunity.

The way our program works is if a participating student can save up to \$3,000 of earned income over the course of the year, the college will match it with \$3,000 of our own and \$3,000 provided by IHS through their federal Assets for Independence grant. Thus, a student’s \$3,000 in savings becomes \$9,000.

In our first pilot year, two of our colleges chose to help us explore the program and how to make it work best for our students. We have twelve students participating, seven at the University of Saint Mary in Leavenworth, and five at Southwestern College in Winfield. In just three months of active participation, those students have saved \$1,910.11. That means they already have \$5,730 in the bank for next year’s tuition, and are on pace to have nearly \$50,000 saved by the end of the academic year.

KICA Support of HB 2209:

HB 2209 does not appropriate any additional SGF funds. In fact, it reinstates a refundability provision that may have inadvertently been eliminated due to the 2012 income tax reductions.

The current match rate that we can offer students is \$2 for every \$1 they save. HB 2209, by restoring the partial income tax refundability of IDA program contributions, would make it possible to match students’ earnings at a 3 to 1 rate. Thus, their \$3,000 can become \$12,000. The student still has to work and save, and our colleges still have to put our skin in the game to match their savings too.

Thus, we offer our support for HB 2209 because of its power to help our students afford and earn a valuable college degree. 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.