



Testimony on Senate Bill 4
Senate Education Committee
January 28, 2018

Chair Wagner, Vice-Chair Thompson, and members of the Committee. My name is Ben Cannon, and I am the Executive Director of the Higher Education Coordinating Commission (HECC). Thank you for the opportunity to submit testimony on Senate Bill 4.

The HECC exists in part to foster collaboration and partnerships that result in a streamlined, student focused higher education system. We execute on this portion of our mission in several ways, including:

- Convening higher education institutions and setting standards around key transitional academic issues, including but not limited to the areas of accelerated credit and transfer.
- Exercising our program approval authority in ways that promote institutional collaboration and reduce unnecessary duplication.

In short, we attempt to ensure that students experience higher education in a way that is as seamless as possible given their chosen academic path.

While the HECC has not before explored the possibility of institutional mergers – and in fact lacks the authority or responsibility to do so – we appreciate that this may be one strategy for ensuring that our higher education system becomes even more coordinated and seamless for future students. Moreover, we appreciate that some public higher education institutions may someday wish to pursue the possibility of a merger -- whether that is driven by a desire to streamline academic pathways for students, by financial necessity, or both. Yet under current law, a clear route to a merger does not exist.

Should this legislation proceed, I would like to suggest an amendment that would result in greater information being provided to HECC in advance of the consideration of a potential merger. We request that at the time the college and university present a proposal to HECC, they include information related to the view of accrediting agencies on the proposed merger plan. Because regional or national accreditation is required for an institution to accept federal Title IV financial aid on behalf of its students (including the Pell Grant), HECC approval would be rendered moot, and institutions would be unlikely to submit a proposal, without advance consultation from accrediting bodies. HECC would thus benefit from having insight into the recommendations of the accreditors. While there are institutions that do not accept federal financial aid, they are generally private, non-degree granting institutions, not public colleges and universities.

Second, the current construct of state statutes does not imagine a hybrid institution. As a result, any approval of a merger by HECC would necessitate significant subsequent action by the Legislature to consider questions about the authorities and responsibilities of institutions, and HECC would likely need to stay a merger approval until after the Legislature took action. Some of the issues that the Legislature would need to handle via legislation would likely include:

- Whether the merged institution have a locally elected governing board, or an appointed board.
- What would be the bond and taxation authorities of a merged institution.
- Which state support fund would fund the merged institution.
- Whether the merged institution would be subject to statutory mandates on community colleges, universities, or both.
- How state financial aid programs would treat the merged institution's students in terms of eligibility and funding levels.

These are just some of the many issues that the Legislature would need to resolve in the event an institutional merger proposal was submitted.

Thank you for your time today.