



KANSAS BOARD OF REGENTS

SENATE COMMITTEE ON COMMERCE

March 15, 2016

SB 493

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Good morning Chair Lynn and Members of the Committee. This testimony is submitted to express our opposition to a provision contained in SB 493, which arises from a recommendation of the Alvarez & Marsal statewide efficiency review. The consultants recommended that the Department of Commerce implement administrative fees, and identifies the Kan-Grow Engineering Fund as one of the programs that has created “overhead expenses” for the Department of Commerce and therefore should be assessed a fee retained by the Department (page 132 of the final report).

As you know, \$10.5 million from the Expanded Lottery Act Revenues Fund is transferred annually to the three research universities in Kansas (Wichita State University, Kansas State University and the University of Kansas), each receiving \$3.5 million per year. Each university must match this financial support from the state with other financial resources, dollar-for-dollar. It was because of this dedicated state support that significant funds are now being put toward the education of future engineers in Kansas. To-date, our universities have made great progress towards the goal of increasing the number of undergraduate engineering degrees awarded annually to 1,365 by 2021.

The responsibility of both the Board of Regents and the Department of Commerce in regards to this initiative is to ensure our universities are making progress. To that end, the Director of Workforce Training & Education, an employee jointly shared between the Department of Commerce and the Board of Regents, has developed a scorecard for evaluating this initiative and facilitates annual reviews to discuss progress. The Kansas Board of Regents data team collects enrollments, graduations, and job placements; the universities provide information on scholarships, internships, research dollars, and endowment gifts received. The scorecard and other reporting is all publicly available. There are no additional overhead costs for the Department of Commerce generated by this activity, although Section 5 of the bill would authorize the Department of Commerce to keep up to \$210,000 of the funds specifically authorized for the education of engineers. Doing so would reduce what is available to the universities for this crucial initiative.

We therefore must request that Section 5 of SB 493 be removed.

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