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M I N U T E S

LEGISLATIVE EDUCATIONAL PLANNING COMMITTEE
(1202 Commission)

October 26, 1976
Room 519 -- State House

Members Present

Senator Joseph C. Harder, Chairman
Representative Don Crumbaker, Vice-Chairman
Senator George Bell
Senator Billy McCray
Senator Jan Meyers
Representative John Bower
Representative Kalo Hineman
Representative Ruth Luzzati
Representative Roger Robertson
Representative Fred Weaver

Staff Present

Phillip E. Jones, Director, Kansas Legislative Research Department
Carolyn Rampey, Kansas Legislative Research Department
Ben Barrett, Kansas Legislative Research Department
Marlin Rein, Kansas Legislative Research Department
Avis Badke, Revisor of Statutes' Office

Conferees Present

Dr. John Conard, Executive Officer, Kansas State Board of Regents
Ed Walbourn, Executive Director, Kansas Association of Community Colleges

Washburn University Feasibility Study

The Committee received a draft of its final report concerning Washburn University which contained the Committee's recommendation that it is not feasible at the present time to bring Washburn University into the state system of colleges and universities. After making several changes in the draft, the Committee voted to adopt the report, as revised.

A copy of the revised portions of the report will be mailed to Committee members for their review.

The primary revisions in the report were made to avoid leaving the impression that Washburn University is the only community-based institution among the state schools and also to delete a reference to increased local support as the funding option most favored by the Committee if it becomes necessary for Washburn University to generate additional revenue.

The Committee discussed the history of credit hour state aid to Washburn University and noted that the aid was begun at the same time for the community colleges (1961). Members observed that the aid has always been paid to Washburn University and the community colleges in the same amount per credit hour (as defined for each type of institution). Several members said they believe the lower payments made for hours taken by graduate and law school students at Washburn University do not make sense since those hours are actually more expensive to offer.

Student Tuition at the Regents' Institutions

The Committee received a memorandum from the staff concerning the relationship between student tuition and total general use funding for educational programs and physical plants at the Regents' institutions. The memorandum updated an earlier report made to the Committee which described a policy established by the Legislative Budget Committee and adopted by the Legislative Council in 1966 whereby student tuition should equal, on the average, 25 percent of the general use-funded cost of the general educational program.

The memorandum stated that for FY 1977 student tuition is estimated at only 18.9 percent of the general use costs for the state colleges and universities combined, or \$8.8 million short of the amount student tuition would generate (\$35.8 million) if the tuition-cost ratio were at the 25 percent level.

Based upon institutional requests for FY 1978, the tuition-cost ratio for FY 1978 is estimated to be 21.4 percent. The estimates for FY 1978 reflect anticipated income from higher student tuition rates adopted by the Kansas State Board of Regents June, 1976, which will be effective with the fall semester, 1977. The new rates are a 25 percent increase over previous rates, except in the case of rates for resident students at the colleges, which are a 33 percent increase.

Dr. Conard told the Committee he had been a member of the Legislative Budget Committee in 1966 and that the 25 percent ratio was an arbitrary number arrived at after comparing student tuition rates in Kansas to rates in other states. He said 25 percent was never meant to be a rigid figure to apply year after year, but was selected as a figure that seemed to be appropriate in 1966.

In response to a question, Dr. Conard said the lower tuition-cost ratio for the colleges (for FY 1978 estimated to be 16.7 percent compared with 22.7 percent for the universities) is in keeping with nationwide trends whereby student tuition income does not bear as much of the cost of supporting colleges as it does that of universities which feature more highly developed research and graduate programs.

Dr. Conard told the Committee the State Board of Regents does not like to make frequent adjustments in student tuition rates and that further changes are unlikely for the next several years. He said studies show that for every \$100 increase in student tuition rates, approximately 2.5 percent fewer students will pursue a higher education degree. He also noted that special fees charged in addition to tuition usually add considerably to the total amount students must pay.

Public Vocational Education Activity in Kansas

Mr. Barrett presented information to the Committee that related to programs, expenditures, enrollment, and funding of secondary and postsecondary vocational education programs conducted by unified school districts, area vocational schools, and community colleges. (A copy of his memorandum is in the Committee notebooks.)

Mr. Barrett said in FY 1974 approximately 19,000 full-time equivalent vocational education students participated in 926 programs for which expenditures totaled \$21.6 million. By FY 1976, the number of full-time equivalent students had increased nearly five percent to 19,900. The number of programs had increased ten percent to 1,023 while expenditures had grown 28 percent to \$27.7 million.

He told the Committee secondary students constituted about 65 percent of total enrollments; postsecondary students, 35 percent. He said the postsecondary proportion of total vocational enrollment had increased by about seven percent over FY 1974.

He said that the state is experiencing increased vocational education program offerings for increasing numbers of students with a resultant increase in expenditures, although the pattern of this growth may not be uniform. He said the proportion of vocational education enrollments represented by secondary students experienced a rather sharp decline in FY 1976 over the previous four-year period while the proportion and numbers of postsecondary vocational education students rose substantially.

Mr. Barrett noted that in both FY 1975 and 1976, the state funds distributed under the postsecondary aid program exceeded the amount of categorical vocational aid available to the area vocational schools. He said one result of the implementation of this new program is that the level of state support for the operation of these schools has increased quite significantly. Under this program, the greater the postsecondary enrollment or the higher the local costs, the more an area vocational school stands to benefit.

Mr. Barrett told the Committee a further policy consideration could involve a review of the efficacy of the two types of state aid programs in which the area vocational schools participate. He said the distribution of the state and federal vocational education program aid (categorical aid) is based on a complex formula designed to take into account need and program performance. The postsecondary aid program is based on local costs after federal and state categorical aids are netted out of the operating budget. To the extent that an area vocational school serves postsecondary students, the postsecondary aid program has the practical effect of negating the purpose of the program aid distribution philosophy because it "rewards" an institution that might have unnecessarily high local costs or unproductive programs and "penalizes" an institution with low local costs or high performance programs.

Following Mr. Barrett's presentation, Ed Walbourn presented a proposal by the Kansas Association of Community Colleges for differential funding of community college vocational education programs. (A copy of his statement is in the Committee notebooks.)

Mr. Walbourn told the Committee that differential funding is necessitated by the greater cost of most vocational education programs compared to academic courses. He said it is the recommendation of the Kansas Association of Community Colleges that state aid for approved vocational-technical courses be paid at a rate 2.5 times the rate paid for other college credit hours. The recommendation would also eliminate state and federal vocational education program aid (categorical aid) to the community colleges.

Based on the current state aid rate of \$15.50 per credit hour, the amount of state aid per credit hour for vocational-technical courses would be \$38.75 under the proposal.

Using figures for FY 1976 showing the number of credit hours for which state aid was paid (both credit hour state aid and state and federal vocational education program aid) as well as the amounts of such aid, Mr. Walbourn estimated the community colleges would have received a gross increase of \$791,000 in funding for vocational education.

He noted, however, that under the formula used to determine out-district tuition, state aid is subtracted before any billing is made. Consequently, an increase in credit hour state aid for vocational programs would cause a reduction in out-district state aid. Mr. Walbourn estimated the net increase in state aid under the differential funding proposal to be between \$350,000 and \$400,000.

Dr. Gwen Nelson, President of Cowley County Community College, said he supports the concept of differential funding even though his college might receive less money than it does under the present method of funding. It is his impression that vocational education programs which have been approved but which are not funded would be funded under the differential funding proposal.

Other Matters

The minutes of the previous meeting were approved.

The next meeting will be November 30 and December 1 (Tuesday and Wednesday). This will probably be the last meeting of the interim.

The meeting was adjourned.

Prepared by Carolyn Rampey

Approved by the Committee on:

_____ date