

MINUTES OF THE HOUSE COMMITTEE ON EDUCATION

The meeting was called to order by Representative Don Crumbaker at
Chairperson

3:30 ~~am~~/p.m. on February 22, 1983 in room 423-S of the Capitol.

All members were present except: Representative Vancrum

Committee staff present:

Avis Swartzman, Revisor of Statutes
Ben Barrett, Legislative Research
Dale Dennis, State Department of Education
JoAnn Mann, Secretary to the Committee

Conferees appearing before the committee:

Dr. James Stringer, Hutchinson Community College
Dr. James Ihrig, Cloud County Community College
Fred Allen, Kansas Association of Counties
Ed Walbourne, Kansas Association of Community Colleges
Larry Keirns, Director Goodland Area Vocational-Technical School

HB 2325 - Community colleges, restrictions relative to out-district tuition levies and payments.

HB 2326 - Counties; restrictions on home rule powers with regard to out-district tuition.

Dr. James Stringer, Hutchinson Community College, appeared in support of both HB 2325 and 2326. A copy of his testimony is attached and made a part of these minutes. (Attachment A)

Dr. James Ihrig, Cloud County Community College, appeared in support and a copy of his testimony is attached and made a part of these minutes. (Attachment B)

Fred Allen, Kansas Association of Counties, appeared in opposition. He stated there is a definite lack of communication between Community Colleges and County Governing Boards, but some improvement has been made. Mr. Allen said the County Boards have received statements for out-district tuition and have no way of checking them. When an inquiry was made, he said they had been told by Community Colleges that they had furnished them with all the information they needed.

Mr. Allen said that last year they had gotten some help from the State Department of Education and that an audit showed an overcharge of nearly \$100,000. He stated that by state law, they were compelled to pay the charges. No refund was made for the overcharge but a credit was given on their next billing. He realized education needs to be taken care of; however, County Governing Boards shouldn't have to take care of all of it.

HB 2180 - School district finance, reductions in state aid entitlements.

Representative Lowther made a motion to conceptually amend in the new figures in HB 2180 and pass it favorably as amended. Representative Hassler seconded.

The Chairman asked for the motion to be divided, so the motion and the second were withdrawn.

Representative Lowther then moved to conceptually amend to include the new figures: for the 200-399.9 category, the PPPR is 10.2; 400-1799.9, 11.5; 1800 to 9999.9, 15.3; and 10,000 and over remains the same. Representative Reardon seconded. The motion carried.

Mr. Lowther made a motion to report HB 2180 favorably as amended and Representative Hassler seconded.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON EDUCATION,
room 423-S, Statehouse, at 3:30 ~~xxx~~/p.m. on February 22, 19 83

Representative Reardon offered a substitute conceptual motion to amend to indicate that the penalty be taken from the income tax rebate, with the 200 and under category not included. Representative Myers seconded the motion and the motion carried.

Representative Lowther made a motion to pass HB 2180 favorably as amended and Representative Reardon seconded.

Representative Leach offered a substitute motion to table and Representative Myers seconded. The motion failed 8-10.

Voting was held on the original motion and the motion failed 8-9.

HB 2454 - Community colleges, capital outlay levy.

Ed Walbourne, Kansas Association of Community Colleges, appeared in support of the legislation and a copy of his testimony is attached and made a part of these minutes. (Attachment C)

HB 2444 - Vocational education capital outlay state aid, community college participation.

Ed Walbourne, Kansas Association of Community Colleges, appeared in support of the bill and a copy of his testimony is attached and made a part of these minutes.

Larry Keirns, Director Goodland Area Vocational-Technical School, appeared in opposition. He told the committee that AVTS need help and they realize that money is a real problem. Mr. Keirns said they wouldn't necessarily object to the community colleges being in the bill if the Vocational-Technical Schools get \$1 million to band-aid their problem.

The meeting was adjourned by the Chairman.



Hutchinson Community College

OFFICE OF THE PRESIDENT

Total out-district tuition for the state amounts to 4.5 million dollars. This report represents how the loss of out-district tuition would affect Hutchinson Community College.

1. The percentage of our enrollment from counties outside our district is 36%.

(2,351 out-district students)
(6,491 total students)

2. The percentage of hours enrolled due to out-district enrollment and the percentage of total hours enrolled is: 41.2% (This includes summer enrollment.)

$$\frac{21,273.5 \text{ out-district hours}}{51,599.5 \text{ total hours}} = 41.2\%$$

3. The percentage of our total revenues that come from the counties' share of out-district payments is:

80% General \$304,351 of \$3,992,530 = 7.6%
20% Vo-Tech \$76,088 of \$1,276,901 = 6.0%
\$380,439

This money can only go into the general and vocational funds, the percentage for these payments which make up this revenue is \$380,439 of \$5,269,431 = 7.2%

4. Other operating costs, and funds maintained by local taxes which are not supported by out-district tuition are:

Employee benefits = \$495,141
Capital outlay = \$251,469

5. Since payment is not made by counties for students who have over 64/72 hours on a transcript, our amount is approximately 1,602.1 credit hours for out-district students over 64/72 hours. This is paid by our local mill levy.

6. Counties do not pay a differential for a vocational course or courses, so when an out-district student takes all vocational courses the cost is assumed by the local taxpayer.

Difference: $\$33.75 - \$21.00 = \$12.75$

Vo-tech hours: $5,477.5 \times \$12.75 = \$69,838.12$ already assumed by local taxpayers

7. (a)

The cost per credit hour, according to the general, vocational and employee benefit funds:

TOTAL FUNDS		
General	\$3,992,530	
Vocational	1,276,901	
Employee Benefits	<u>495,141</u>	
	\$5,764,572	

Cost per credit hour: $\$5,764,572$ divided by $51,599.5$ credit hours = $\$111.71$

ACADEMIC PROGRAM		
County out-district	\$21.00	18.79%
Out-district state aid	21.00	18.79%
State aid	22.50	20.14%
Tuition	<u>13.00</u>	<u>11.63%</u>
	\$77.50	69.35%

Balance for Reno County tax: $\$111.71 - \$77.50 = \$34.21$ (30.65%)

VOCATIONAL		
County out-district	\$21.00	18.79%
Out-district state aid	21.00	18.79%
State aid	33.75	30.21%
Tuition	<u>13.00</u>	<u>11.63%</u>
	\$88.75	79.42%

Balance for Reno County tax: $\$111.71 - \$88.75 = \$22.96$ (20.58%)

(b)

The cost per credit hour, according to the general, vocational, employee benefits and capital outlay funds:

General	\$3,992,530
Vocational	1,276,901
Employees Benefit	495,141
Capital outlay	251,469
	<u>\$6,016,041</u>

Cost per credit hour: \$6,016,041 divided by 51,599.5 credit hours = \$116.59

ACADEMIC WITH CAPITAL OUTLAY

County out-district	\$21.00	18.01%
Out-district state aid	21.00	18.01%
State aid	22.50	18.81%
Tuition	13.00	11.15%
	<u>\$77.50</u>	<u>65.98%</u>

Balance for Reno County tax: \$116.59 - \$77.50 = \$39.09 (34.02%)

VOCATIONAL WITH CAPITAL OUTLAY

County out-district	\$21.00	18.01%
Out-district state aid	21.00	18.01%
State aid	33.75	28.94%
Tuition	13.00	11.15%
	<u>\$88.75</u>	<u>76.11%</u>

Balance for Reno County tax: \$116.59 - \$88.75 = \$27.84 (23.89%)

8. Our total tax levy is:

11.875 mills

If we were to lose out-district tuition payments; our local tax levy would have to cover this loss.

We would have to go up approximately 1.5 mills.

This would be an increase of over 25% if out-district tuition and out-district state aid are lost.

This doesn't include the loss of farm machinery on the tax roll.

9. By law we can't charge out-district students enough student tuition to pay for the cost of instruction, less state aid.

Law limits tuition to be between \$10.00 minimum and a maximum of \$15.00 per credit hour.

The concept of the mission of community colleges is to offer educational opportunities with low tuition.

10. Courses must be approved by the State Department of Education, both in-district and out-district.

We cannot teach just anything anywhere.

11. We have many out-district students.

68 - 75 counties are represented at our college.

We offer quality low cost education with special programs.

We need to cut as much duplication in tech courses as possible. Too expensive for each college to provide everything.

February 22, 1983

HOUSE EDUCATION COMMITTEE:

RE: HB 2325, HB 2326

My name is James Ihrig. I am president of Cloud County Community College in Concordia. I am here to speak in favor of House Bill 2325 and House Bill 2326. Both of these Bills deal with out-district tuition.

Let me first of all give you a little background about Cloud County Community College. As I indicated to you, Cloud County Community College is located in Concordia and serves the eleven-county area surrounding Cloud County. This is a large geographic area with a population of some 99,000 people. This same area has been designated as our community education service area by the State Department of Education. Through and from the campus in Concordia, the community college served with credit-bearing programs 1,880 students during the first semester of this year. The majority of these students, about 70%, come from the 11 counties surrounding Cloud. Approximately 25% of these students come from the home county of Cloud County--the remaining 5% come from the remainder of the state.

Of the 1,880 students who were enrolled at Cloud County Community College, 600 of these were full-time students and 1,280 were part-time students. Ages for this group ranged from 17 to over 60 years of age. Some 1,039 students were age 24 or older. These figures indicate to you that the college is serving a diverse clientele with a wide variety of needs and interests.

With that background, let me speak directly to the point of out-district tuition. Out-district tuition is a most important issue and is, I feel, important to the parties concerned, both the college and the people in those counties paying out-district tuition.

Let me first comment about the importance of out-district tuition to Cloud County Community College. The figures that I gave you previously indicate that a large share of our students come from outside the college district. Consequently, a significant share of our anticipated income for 1982-83 is budgeted to come from out-district tuition. About 28% of the budgeted income for 1982-83 is budgeted to come from state and county out-district tuition. If we were to lose this source of income and at the same time maintain our enrollment at its current status and continue to deliver the kinds of services that we are providing for the people in that eleven-county area, it would require a significant increase in the mill levy that is levied against the citizens of our taxing district. It would require an increase of approximately 427,000 or a mill levy increase of some 7.24 mills based upon our current evaluation.

I assume that were this mill levy proposed to our Board of Trustees and to our patrons, it would probably be rejected. We would probably have little recourse but to cut services and probably deny many of the currently existing services to those people who reside outside the taxing district.

As I indicated to you a few moments ago, I feel that the out-district tuition issue is important to not only the college but to the citizens of those counties who pay out-district tuition. There are many services that the college performs and many needs that are met through the services of the college.

It goes without saying that many of the traditional aged students who reside in North Central Kansas may be denied the opportunity for a low-cost, quality education if it were not available at the nearby community college. The ramifications of this, I believe, are obvious to all. In addition to the traditionally aged students are those students who are beyond the traditional college age and who for one reason or another would find it impossible to

participate in higher education in any other setting. These would also be denied the opportunities that are afforded by a nearby community college. Among this group of nontraditional students is a special group which we call adults in transition. This group consists of displaced homemakers, the unemployed, the underemployed, and those people seeking training and other services to prepare them for better jobs and/or new careers. People in this group need a great deal of help--financial aid, adult basic education, remedial programs, career planning, and educational programs. The college is also serving this group; and in all honesty, it should be doing more.

There are other benefits, also, to people who reside outside the taxing district. Let me give you one example. Many of the people who are caring for our senior citizens in nursing homes and other facilities for the elderly in North Central Kansas have been prepared by Cloud County Community College. In one group alone, that group being geriatric aides, medication aides, and restorative aides, Cloud County Community College trained 331 people in the academic year 1981-82.

These are but a few examples of the kinds of opportunities that perhaps would have to be curtailed if the out-district tuition program were to be eliminated.

As I began, I indicated to you that I thought the out-district tuition was important to both the college itself and to the people who are served by the college. I believe that the out-district tuition system is a fair and equitable system for insuring the availability of the opportunities that are being provided by the community colleges.

I believe that the intent of these two Bills, removing the possibility of counties exercising home rule to exempt themselves from the out-district tuition program, is a most worthwhile endeavor.



KANSAS ASSOCIATION OF COMMUNITY COLLEGES

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Edwin J. Walbourn
Executive Director

Statement by Edwin J. Walbourn, Executive Director,
Kansas Association of Community Colleges, to the
House Education Committee concerning H.B. 2454,
Tuesday, February 22, 1983

Mr. Chairman, Members of the Committee:

I appear here today in support of H.B. 2454, which is a bill which would be permissive in nature and allow community college districts to levy a capital outlay tax of 2 mills instead of the present one mill.

Community college campuses in the state are comparatively new, but they are aging. The first new complete campus was built at Butler County in 1964. As a campus ages, it begins to require more and more maintenance. For example, at Butler County, the roofs were 20 year bond. The twenty years is now up.

The capital outlay levy has been on the books for sometime, but it is limited to one mill. As the age of the buildings across the state increases, and as time changes and demands change, remodeling and re-equipping is necessary. With the rise in costs over the past few years, the amount which can be raised by the one mill levy is not sufficient to meet the needs.

Under the present statutes, and retained in this mill is a 5 percent protest petition section. Thus, if the levy is imposed, the protest petition route allows the citizens a chance to make their wishes known. I might add that this has been done in cases. In no way is this a license for a board to impose a levy without the consent of the voter. The levy is also limited to a period of 5 years, and to remain on the district, it must be re-levied with all of the petition protest safeguards operating.

This is only permissive legislation. It raises the upper limit of what may be imposed but is is not mandatory, nor must the whole amount be levied. In view of the rising costs and the increasing needs, we ask that you favorably consider this permissive legislation so that local boards may use it if it becomes necessary.

EJW:am



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Edwin J. Walbourn
Executive Director

Statement by Edwin J. Walbourn, Executive Director,
Kansas Association of Community Colleges, to the
House Education Committee concerning H.B. 2444,
Tuesday, February 22, 1983

Mr. Chairman, Members of the Committee:

We appear today in support of H.B. 2444. This goes along somewhat with H.B. 2454. H.B. 2454 indicates a willingness on the part of the community college to tax themselves so that facilities may be maintained and improved as the conditions demand. H.B. 2444 is a request that the capital outlay fund which has been used for area vocational technical schools be amended so as to include community colleges.

Let me say at the outset that there is no fiscal note attached to this measure. We are fully aware of the fiscal conditions of the state and of the economy. We are not asking nor do we contemplate asking at this time that funds be allocated to this measure, unless of course conditions improve so drastically and any new tax measures which might be passed raise sums of money so that the state is bothered with a huge surplus such as Alaska.

From the inception of the 1965 law, under which community colleges operate today, all of the capital costs and all of the building costs have been and are borne by the local community college district taxpayer. No state funds go to this area. No out-district money goes to this area. The facilities today at the community colleges have a replacement value of over \$100,000,000 all of which are paid for by the individual districts. Equipment costs run that figure up to an even greater height.

As I testified earlier, costs have skyrocketed and needs have grown. More and more costs are necessarily incurred. We educate more and more students from areas outside of the local districts, and facilities are needed for all of them. Our districts have been willing and able to provide them, but the cost is now becoming burdensome. We are asking in this bill, that as funds are made available for capital outlay that the community colleges be made eligible to share in them. The funds would be allocated to the State Board of Education. The individual college would apply with a set of plans

(Cont.)

and a priority for the use of some of the funds. The Board would allocate them on the basis of the project and need and the comparative need with all other projects. It would not be just a free allocation. It is contemplated that as the fund has been used in the past the greatest need would be for replacement of equipment. In the age of modern technology the cost of training equipment and the modernization of it has gone out of sight.

As I said, this is a first for community colleges. It is simply a situation where we feel some help, however small, is justified by the growing enrollments and the patterns of enrollments.

Again, we recognize the fiscal situation of the state. We ask this now so that as funds do become available for such projects that the colleges would be considered.

I ask your approval of this measure.

EJW:am