

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS

The meeting was called to order by Senator Paul Hess at _____
Chairperson

11:00 a.m./p.m. on January 27, 1983, 19__ in room 123-S of the Capitol.

All members were present except:

Committee staff present:

Research Department: Marlin Rein, David Monical, Sherry Brown, Mary Galligan
Revisor's Office: Norman Furse
Committee: Mark Skinner, Administrative Aide; Doris Fager, Secretary

Conferees appearing before the committee:

Rick von Ende, University of Kansas	Bill Kauffman, Attorney, Board of Regents
Dr. Tim Scanlan, Smoky Hill Family Practice Center	Sheldon Cohen, Washburn University
Ed Walbourn, Kansas Ass'n of Jr. Colleges	Paul Sterrett & W.L. Blankenship, ASK
	Bob Allen, Wichita

The Chairman presented a proposal for introduction by the Committee. The proposal would provide for rotating Chairmanship of the Joint Committee on State Building Construction. Motion was made by Senator Bogina and seconded by Senator McCray that the proposal be introduced. The motion carried by voice vote.

SB 17 - Affiliated Family Practice Program

Mr. von Ende explained that the Affiliated Family Practice Program was created about five years ago. Since then, the program has reached the size that there are inflationary factors at work, and the request is being made that fiscal limits be subject to the appropriation process. He further suggested that the appropriation be given to the University in a line item.

There followed a discussion concerning the fiscal impact of the proposal. Senator Steingeger asked why there was a cap on this fund in the beginning of the program, and it was noted by committee members that the reason for the cap was to keep the program from getting out of control.

Senator Gaines, who was a member of the interim committee introducing the proposal, said the hospitals in Wichita are making major contributions to the program in that city. However, Salina hospitals are making only small contributions. Senator Steingeger stated that there had been a problem in the past relating to doctors in Salina being unwilling to make a contribution to the program.

Dr. Scanlan commented that hospitals in Wichita contribute nearly half the funds required for a residency program there. However, they are larger hospitals, and stand to gain more from residency programs than small community hospitals such as Salina's. Dr. Scanlan stated that realistically the Salina Hospitals will not contribute more in the near future. The present contribution is about \$50,000. According to Dr. Scanlan, there are hidden contributions, such as lunches for residents, etc. He added that he is working on ways to make the residency program contributions more palatable to the Salina hospitals; but indicated that they are defensive about spending more money where there is little benefit to them.

Motion was made by Senator Steingeger and seconded by Senator McCray to report SB 17 favorably for passage. The motion carried by roll call vote.

SB 19 - Residency Requirements for Postsecondary institutions

Mr. Walbourn distributed his prepared statement (Attachment A). He spoke in opposition to the bill. There were questions from committee members and discussion of the fiscal impact. Mr. Walbourn suggested that the savings to the state were not that great to community colleges.

SB 19 - Continued

Dr. Cohen presented a statement by Dr. John Green, President, Washburn University, in opposition to SB 19. (See Attachment B) Committee members were given opportunity to question him.

Mr. Blankenship and Mr. Sterrett distributed their prepared statement in opposition to SB 19. (See Attachment C) There were questions from committee members following their presentation.

Mr. Allen presented his prepared statement (Attachment D). Included in his statement is a suggested amendment to SB 19. There were questions concerning his suggestion, including that of how many states now except certain students from residency requirements. Mr. Allen said he was not sure of the number, but he was aware that some states do have a similar exception.

The Chairman asked Mr. Kauffman, Attorney for the State Board of Regents, if he felt there would be constitutional issues involved in Mr. Allen's suggestion. Mr. Kauffman said there may be constitutional questions raised by classifying students according to degrees, etc. He reminded the committee that a similar proposal was introduced in 1978. He further stated that such a proposal would create administrative burdens in terms of monitoring residency of students. Mr. Kauffman said the Board of Regents has endorsed the six-months residency requirement and are seeking to have a separate bill introduced on that subject.

When questioned by the Chairman, Mr. Allen said he knew of no specific instances where students have not enrolled at Wichita State University, for example, because of the one-year residency requirement, but he knows of some companies who have lost people who planned to move to Wichita when they found out about the requirement.

No action was taken on SB 19. The meeting was adjourned by the Chairman.



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
Senate Ways & Means Committee, concerning S.B. 19
11 a.m., Thursday, January 27, 1983

Mr. Chairman, Members of the Committee:

I am here today requesting that you do not give favorable consideration to S.B. 19. The provision of six months residency for community college students for tuition purposes has been in the statutes since 1968. During that period of time I do not believe that it has been abused nor has it caused many problems. The proposed change to make the period of residency one year has, in our opinion, several drawbacks. We can understand in this period of time why the state is interested in looking at and making economies in financial matters. However, we feel that this may be a case where the new problems are not worth the savings made. Some of the drawbacks which we see follow:

1. There are 1300 to 1400 non-resident students in the community colleges this year out of a total headcount enrollment of slightly over 39,000 or approximately 3.6 percent of the headcount enrollment at the highest point. However, to assume that these persons become residents for tuition purposes is not quite correct. From that number, you must subtract the foreign students. In community colleges, unless they are permanent residents, which nearly none are, there is no way they can go off of non-resident status. The permit to be in this country precludes that. Next, from the remaining number, you will note that the largest number of non-resident students are in those community colleges near the border of our state. These students are only, in some cases, one or two miles from the college, but in another state. These students live home and commute. They do not move two miles to establish a residency. Thus these students are not counted as those who become eligible for lower tuition. For the remainder, state rules and regulations prescribe a list of acts which must be done before a student can establish residency. Included in this are registering to vote, obtaining a drivers license, registering his automobile in Kansas and paying taxes, marrying and establishing a home and other evidences. In nearly all cases, at least three of these must be offered in evidence before the auditors from the state will approve them as Kansas residents. Not too many students, especially in community colleges will do this. Our best estimate, and it is only that, is that not more than 200 to 300, if that high, will try to establish residency. That is headcount, and as for FTE it would be nearer 150. I do not know what your fiscal note on this is, but we believe that a great amount of savings for the state is illusionary.
2. In practical terms, the present 6 months requirement translates into in nearly all cases a one year wait. The law provides that the student must be a resident six months before the beginning of the term in which he registers. Most students in the fall come to the state in August, for the fall semester. The second semester begins approximately January 15 to 20. To become a resident for the second semester

(Cont.)

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then a student must have been living in the state since approximately June 1, an event that doesn't even happen with football players. They are thus not eligible for in-state tuition before the beginning of the second year. Were the law to be changed, little would be gained because of this.

3. Community colleges are governed by local boards, and for the most part are in smaller communities. Many of the cases involve persons who have moved into the community, bought a house, started to pay taxes and work there. When the child of these parents, who are now taxpayers, are told that they must pay out of state fees, telephones ring. To make the provision one year would work an injustice on these persons, and as an aside, on the local board of trustees and administrators with complaints. To say that it is a state law to these parents does not really work. Another group are those persons who were brought up in the community, moved away, and then sent there children back to live with grandparents or uncles and aunts to go to school. Again, the local college must explain to the local taxpayers why, in this case to their way of thinking, they are being discriminated against.

For the above reasons, we feel that this bill should not be approved. I again repeat, while we understand the desire and idea behind it, we feel that it is a bill which however well motivated, does not give the desired results and creates bad feelings in a time when we are attempting to bring in a new industry and improve economic conditions. We would ask that you not put this impediment, however small, in this effort and that you would not approve this bill.

EJW:am

STATEMENT OF DR. JOHN L. GREEN, JR., PRESIDENT, WASHBURN UNIVERSITY, ON SENATE BILL 19, TO BE READ BEFORE THE SENATE WAYS AND MEANS COMMITTEE BY DR. SHELDON COHEN, PROVOST, WASHBURN UNIVERSITY

January 27, 1983

Mr. Chairman and members of the Committee. I am Dr. Sheldon Cohen, Vice President and Provost of Washburn University. I appreciate the opportunity to testify in regard to Senate Bill 19 on behalf of Washburn University.

We believe that this proposal, which would double the time required for students to establish Kansas residency from six months to one year, is neither in the best interest of students attending Washburn, their parents, nor the City of Topeka.

As a public urban university, part of our financial support (approximately 17 percent) comes from the ad valorem tax of the City of Topeka. The taxpayers in Topeka include not only those people who have lived here for many years, but also those people who have recently been attracted to Topeka as part of the economic growth movement promoted by the city. Some of these new residents of Topeka have children of college age who want to attend Washburn University. These parents are immediately required to pay motor vehicle taxes, ad valorem taxes, sales taxes, state income tax, etc., and it is not fair and equitable to require their children to live 12 months in Topeka in order to qualify as Kansas residents for the purposes of attending Washburn University.

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In addition, there are those people who have recently moved to Topeka, and work full time in the area, who also want to attend Washburn on a part time basis to enhance their educational background. Again, these people are taxpayers who help support Washburn University through their taxes, and they should be able to establish their residency within 6 months in order to take advantage of the educational opportunities at Washburn.

Certainly at a time when Topeka is encouraging economic growth in the city and encouraging people to move to Topeka, an increase in residency requirements to attend Washburn from 6 months to 12 months would be considered a disincentive to these people. In addition, people who move to Topeka are able to establish their voter residency requirement in 6 months and they would view a 12 months residency requirement to attend Washburn University as overly restrictive.

Attached is an exhibit which shows the number of students attending higher education institutions in Kansas who were categorized as non-resident in the Fall, 1981. Out of 138,004 students, 21,148 were non-residents, or 15.3 percent. Taking the four segments of higher education in the state, 38.7 percent of the students in private colleges were non-resident, 16.8 percent in the Regents' institutions, 5.0 percent in the community colleges and 3.9 percent at Washburn University. Looking at the non-residents as a whole, the Regents' institutions had 64.6 percent of all non-resident students in the state,

the private colleges had 25.5 percent, the community colleges had 8.8 percent, and Washburn University had 1.1 percent (see table below).

<u>Institution Grouping</u>	<u>Non-Resident Students</u>	<u>% of Total</u>
Regents Institutions	13,650	64.6
Private Colleges	5,383	25.5
Community Colleges	1,874	8.8
Washburn University	<u>241</u>	<u>1.1</u>
Totals	<u>21,148</u>	<u>100.0</u>

Washburn hopes you will consider the nature of our university, and our students, and the fact that a significant portion of the Washburn budget is supported by the ad valorem property tax that all Topekans pay to support the educational programs at Washburn.

Thank you.

A Review of Non-Residents Attending Kansas Higher
Education Institutions in the Fall, 1981

	<u>Recap</u>		
	<u>Fall 1981 Enrollments</u>		
	<u>Total</u>	<u>Non-Residents</u>	<u>% Non-Res.</u>
Washburn University	6,138	241	3.9
Regent's Institutions	80,950	13,650	16.8
Community Colleges	37,033	1,874	5.0
Private Colleges	13,883	5,383	38.7
Totals, All Instit.	138,004	21,148	15.3

Detail in Support of Above Information

Regent's Institutions:

K.U.	23,990	6,393	26.6
K.U. - Medical	2,377	815	34.2
K-State	19,982	3,445	17.2
Wichita State	16,954	1,255	7.4
Pittsburg State	5,436	825	15.1
Ft. Hays State	5,607	402	7.1
Emporia State	6,022	494	8.2
Ks. Technical Institute	582	21	3.6
Totals	80,950	13,650	16.8

Community Colleges:

Allen Cty.	934	42	4.4
Barton Cty.	2,022	36	1.7
Butler Cty.	2,395	58	2.4
Cloud Cty.	1,878	28	1.4
Colby	1,619	91	5.6
Coffeyville	1,441	57	3.9
Cowley Cty.	1,767	45	2.5

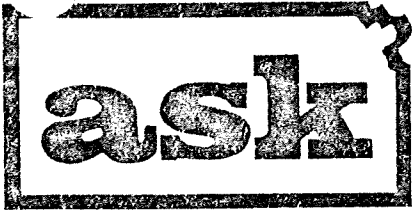
A Review of Non-Residents Attending Kansas Higher Education Institutions and Educational Expenses Per F.T.E. Student in These Institutions for 1980-81

<u>Community Colleges (cont.)</u>	<u>Total</u>	<u>Non-Residents</u>	<u>% Non-Res.</u>
Dodge City	1,363	36	2.6
Fort Scott	1,278	161	12.5
Garden City	1,111	67	6.0
Highland	1,374	343	24.9
Hutchinson	2,857	96	3.3
Independence	991	15	1.5
Johnson Cty.	7,124	233	3.2
K.C.	3,682	102	2.7
Labette Cty.	1,822	46	2.5
Neosho Cty.	786	17	2.1
Pratt	1,201	41	3.4
Seward Cty.	1,388	360	25.9
Totals	<u>37,033</u>	<u>1,874</u>	<u>5.0</u>

Private Colleges:

Baker	934	339	36.2
Benedictine	1,046	660	63.0
Bethany	807	278	34.4
Bethel	747	273	36.5
Central	305	232	76.0
Donnelly	674	122	18.1
Friends	891	212	23.7
Hesston	652	486	74.5
Ks. Newman	698	56	8.0
Ks. Wesleyan	427	80	18.7
Marymount	758	74	9.7
McPherson	521	258	49.5
Mid-America Nazarene	1,378	692	50.2
Ottawa	772	559	72.4
St. John's	289	143	49.4
Saint Mary	842	207	24.5
Saint Mary of Plains	627	149	23.7
Southwestern	646	145	22.4
Sterling	431	215	49.8
Tabor	438	203	46.3
Totals	<u>13,883</u>	<u>5,383</u>	<u>38.7</u>

* Source of information is the "Kansas Postsecondary Education Profile", Second Edition, 1983, Kansas Legislative Research Dept.



ASSOCIATED STUDENTS OF KANSAS

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Statement By

*William L. Blankenship
Board Member
Washburn University*

*Paul A. Sterrett
Campus Director
Washburn University*

*For The
Associated Students of Kansas
(ASK)*

*Before The
Senate Ways and Means Committee*

*On
SB 19*

January 27, 1983

Representing the Students of:

Emporia State • Fort Hays State • Kansas State • Pittsburg State • University of Kansas • Washburn University • Wichita State

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INTRODUCTORY REMARKS

Mr. Chairman, members of the Senate Ways and Means Committee, I would like to thank you for the opportunity to be with you today to express the views of the Associated Students of Kansas on Senate Bill 19.

My name is Bill Blankenship. I am a student at Washburn University. I was born in Kearney County, but now reside in Shawnee County. I represent the students of Washburn as their member on the ASK Board of Directors and have the additional privilege of serving as the chairperson of that board.

Appearing with me today is Paul Sterrett. Paul is also a student at Washburn. He is a life-long resident of Wyandotte County and is the ASK Campus Director for Washburn University.

Paul and I are here today on behalf of the students of Washburn, in particular, and the students of ASK, in general. ASK is the only active state student association in Kansas. It represents 83,000 students attending the seven public universities in the state.

We are here today to express ASK's opposition to SB 19.

STATEMENT OF OPPOSITION: SB 19

We oppose the enactment of SB 19 for two reasons.

First, it would not be in the best interest of current and potential students of one of ASK's member institutions-- Washburn University. Second, the adoption of SB 19 would be counterproductive to the attainment of the ASK goal of a uniform six-month durational residency requirement at all Kansas public institutions of higher education including Washburn, the Regent universities and the community colleges.

Paul will now elaborate on the first point.

When the family of a traditional student moves to Kansas, they immediately begin to contribute to the support of Washburn. If they buy a house in Topeka, a portion of the ad valorem tax goes to direct support of the University. If they live outside of Topeka, the ad valorem tax funds the out-district tuition received by Washburn if a student in the family decides to attend our college. Even if this family rents their dwelling, the landlord passes through this tax as a portion of the rent.

This family also contributes to the state coffers by paying sales, personal property, income and other taxes. A portion of this money is then used to fund per-credit-hour aid and the state's portion of out-district tuition.

When a student in that family enrolls at Washburn, the family then pays the major source of revenue for the university--tuition and fees.

Given this participation in the funding of Washburn, we believe six months is a fair and equitable time limit to qualify for in-state tuition.

This is especially true for non-traditional students pursuing higher education part-time. They come to Topeka primarily for a job. However, they also bring with them the need for higher education. Whether they attend college to fulfill continuing education requirements, learn new skills in their present career or prepare for a better job, they, nonetheless, have a desire to receive higher education.

We think it is unfair to place before them the burden of out-state tuition after they have, for six months, contributed to the support of the University.

The student government of Washburn University has concurred in this opinion. Last night (January 26), they adopted by unanimous consent a resolution opposing enactment of SB 19. The resolution is attached to our testimony.

Bill will now continue with our second reason for opposing this legislation.

ASK has as one of its legislative goals the enactment of a uniform six-month residency requirement. In varying degrees, the reasons Paul presented for a six-month test for Washburn apply also to the Regent universities. Mr. William R. Kauffman, Staff Attorney for the Kansas Board of Regents, testified before the Special Committee on Ways and Means that a six-month residency requirement would be of special benefit to Wichita State University and, to a lesser extent, the University of Kansas. We concur in his opinion.

ASK finds the Minority Report of the Special Committee to be consistent with our long-range goal. We support the

recommendation to reduce the durational residency requirement from one year to six months at the Regent universities.

However, we recognize this change comes with a price.

The students of Kansas are aware of the financial problems facing the state this legislative session. For that reason, we have not made the six-month test for the Regent institutions a priority item.

During the coming weeks, ASK hopes to share with you and your colleagues in the House what we consider to be the priority budget issues facing students at the ASK universities.

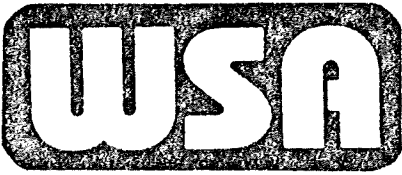
This position should not diminish the importance of our uniform six-month goal. If we, in Kansas, want to keep the state an attractive place for potential employees and employers, we must strive to keep higher education in the state accessible. This is in the best interest of all Kansans—both students and non-students.

Given fiscal realities and the tough decisions they precipitate, this may not be the time to reduce the time requirement for the Regent universities. However, enactment of SB 19 would certainly be a step in the wrong direction.

CONCLUSION

For the reasons outlined by Paul and myself, the students of Washburn and the other ASK universities oppose Senate Bill 19.

We would be happy to answer any questions you might have. And we thank you for your time and consideration.



WASHBURN UNIVERSITY STUDENT ASSOCIATION

MEMORIAL UNION
WASHBURN UNIVERSITY
TOPEKA, KANSAS 66621
[913] 232-4297

SR #4

ORIGINATED BY: ASK Policy Committee

SPONSORED BY: Senators Bernhardt, Durst, Hine and Taylor

SHORT TITLE: Resolution Opposing Senate Bill 19

RESOLUTION IN ENTIRETY:

WHEREAS: Washburn University is the primary provider of higher education in Shawnee County.

WHEREAS: Shawnee County attracts students and their families because of its urban nature and the availability of jobs.

WHEREAS: Upon his/her arrival in Shawnee County, a potential student and his/her family begin their support of Washburn University by direct payment of ad valorem taxes or indirect payment of those taxes through rent.

WHEREAS: The potential student and his/her family also contribute to the state support of Washburn University by paying sales taxes, income taxes, personal property taxes and other taxes.

WHEREAS: Tuition and fees paid by students and their families remain the major source of funding for the operations of Washburn University.

WHEREAS: A non-resident must demonstrate proof of his/her intent to be a resident of Kansas in order to qualify for in-state tuition.

WHEREAS: Six months has proven to be a reasonable and fair time requirement to determine residency status.

THEREFORE BE IT RESOLVED: That the Washburn Student Association opposes the lengthening of the residency requirement to one year and therefore opposes enactment of Senate Bill 19 by the Kansas Legislature.

BE IT FURTHER RESOLVED: That the ASK Campus Director for Washburn University convey this resolution to the appropriate committee(s) of the Kansas Legislature and the members of the Shawnee County Delegation.

PASSED FAVORABLY
UNANIMOUS CONSENT

Lick Boh

CHAIRMAN
STUDENT SENATE

APPROVED

January 26, 1983
DATE PASSED

David R. Walker

PRESIDENT
WASHBURN STUDENT ASSOCIATION



ROBERT S.
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TESTIMONEY

ON

SENATE BILL No. 19

There has recently been much public comment regarding the need for the State of Kansas to improve its ability to attract the so called High Technology Industries. I certainly support such activity. Also, we must not forget the industry which has already located in Kansas and which already contributes to the growth of our State.

The desirability of Kansas as a site for expansion and new industry is to a large extent dependent upon the people who are available to work in these new jobs that such expansion and new industry will bring. No company expects to find all its new employees already sitting and waiting for its expansion. That is why it is so desirable for any locale that wants new and/or expanding industry to present an attractive face to newcomers who will make up a portion of the work force of the new and expanded industries. This is particularly true for technical and professional employees. These people are highly mobile and are always in demand.

One particular group of employees is of particular note. These are the recent college graduates. They are the raw material of the future management, supervisory, and professional staffs of any industry. Therefore, anything that can be done to make Kansas attractive to these recent college graduates will help industry look more favorably upon Kansas as a potential site for the future growth.

Senate Bill 19 touches on a corollary of a problem which Kansas faces in attracting recent out-of-state graduates. Many recent graduates wish to continue their education, particularly on a part time basis at night. The law in Kansas requires them to wait a full year before they can do so at Kansas resident tuition

rates. This puts Kansas industry at a competitive disadvantage when trying to recruit these recent graduates, and is counter-productive to the current programs to expand our industrial and technological base.

I would suggest that Senate Bill 19 be ammended to allow all residents who are registered voters in the State of Kansas, who have a Baccalaureate degree of any sort, and who are employed full time in the State of Kansas to take up to 21 semester hours of course work at resident tuition rates prior to fulfilling the one years residency currently required. The employer of the individual taking courses under this provision would have to supply the Registrar of the University with a letter stating that the student is a full time employee and that the course work is beneficial to their occupational and/or professional development.

Such a provision, I feel, would be fair and helpful to Kansas.