

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANSThe meeting was called to order by Senator Paul Hess at
Chairperson12:00 Noon a.m./p.m. on March 24, 1983, 19__ in room 123-S of the Capitol.

All members were present except:

Committee staff present:

Research Department: Sherry Brown, Mary Galligan, David Monical
Revisor's Office: Norman Furse
Committee Office: Mark Skinner, Doris Fager

Conferees appearing before the committee:

Stan Koplik, Executive Secretary, Board of Regents
Senator Wint Winter
Ernie Angino, Professor, University of Kansas
Sid Shapiro, Professor, University of Kansas
Bob Sarna, Lawrence Chamber of Commerce
Mark Tallman, Associated Students of KansasSystemwide Issues, Board of Regents' Institutions

Mr. Koplik discussed the Regents' policy on the allocation of reductions of \$14 million across the system. He said he had heard discussion of the appropriateness of the method used. He explained the rationale for using each institution's share of general use funding in the state. He said the Regents saw peer comparison as an appropriate way of measuring each institution's ability to forego some money as it relates to similar institutions. He said that if institutions are funded on an F.T.E. basis, there has been a dis-service to those institutions. He said he would oppose a system which says higher educational institutions must surrender \$14 million and this should be divided pro-rata among institutions.

When asked by Senator Hess if he would like to trade suggested high technology dollars for additional O.O.E. funds, Mr. Koplik said he would. He reminded the committee that the institutions are 1.5% under the Governor's recommendation (House action). He suggested that it would be strange to embark on areas of high technology at a time when the O.O.E. budget which furnishes equipment for that area is reduced. He stressed that there is not a lot of merit to starting something new at the same time O.O.E. is being reduced.

Senator Hein asked Mr. Koplik if his agency had been able to study the cost per pupil of Washburn University vs. Regents' institutions. Mr. Koplik said the most difficult part of that review is to be able to determine that similar things are being compared. He indicated he has the data which says Washburn is 35% more efficient than Regents' institutions. He said he felt the study could be completed by April 20.

When asked by Senator Gaines if he had to choose between increasing salaries of teaching faculty and classified personnel opposed to increasing O.O.E., which he would choose, Mr. Koplik said he would choose increased salaries. He noted that surrounding states are increasing faculty salaries from 3% to 5% for next year.

Mr. Angina presented his prepared statement (Attachment A). When asked by Senator Hess which was more important--O.O.E. or salaries-- Mr. Angina said that salaries are important, but that it may not be necessary to worry about salaries because there may not be people in Kansas to use them because of the condition of equipment at the universities.

Systemwide Issues, Board of Regents' Institutions - Continued

Senator distributed Attachments B, C. and D. He then presented his prepared statement. When asked by Senator Gaines if he is suggesting a line item appropriation for "instructional equipment," Senator Winter answered in the affirmative. He would suggest \$1.4 million to fund that equipment instead of high technology or any other context. He said the equipment might be turned to high technology intensive areas in the universities. There was discussion concerning the fact that equipment at institutions of higher education was originally purchased with federal dollars. In the 1960's federal dollars were easily available. Now that equipment is obsolete and there are no federal funds to replace it.

Senator McCray asked about the equipment reserve accounts which were established by the Legislature two years ago. Staff said that this provided that savings for each institution within its expenditure limitation on the general fees fund could be transferred to an equipment reserve account. However, given the present situation where that money will lapse if not spent, there is a tendency to spend it. No institution has made transfers into those accounts.

Mr. Shapiro read from his prepared statement (Attachment E). Senator Gaines asked if he agreed the number one priority is O.O.E. He said that, after a realistic salary increase of 4%, his organization would prefer that O.O.E. needs be addressed, since those funds go for the tools professors use.

When asked by Senator McCray if university presidents are managing O.O.E. funds properly, Mr. Shapiro said he feels they are. He noted that there are programs of considerable excellence even though the universities have been faced with budgets of less than the rate of inflation.

Mr. Sarna read from his prepared statement (See Attachment F). It was noted following his testimony that for years the grants made available to universities for research included the allowance that universities could buy equipment. However, in recent years, those grants must be used for salaries and research.

Senator Werts asked Mr. Sarna which of the methods of increasing state revenue he might suggest to meet the needs of the universities, etc. Mr. Sarna said his personal preference would be taking away some sales tax exemptions, but not to add taxes which would hurt the poor.

Mr. Tallman presented his prepared statement (Attachment G). Following his testimony, when he stressed the need for work-study programs in universities, Senator Steineger said it is his understanding this is one of the most effective ways to keep college trained people within the state to become taxpayers. Mr. Tallman said it may be true, because people would begin working within the state during their university days, thus making it more likely those people would be recruited within the state.

It was suggested by the Chairman that the committee do as the House Committee did, and eliminate faculty salaries and students' salaries, and consider them along with those of classified employees in the omnibus bill or in a separate bill; and that utilities also be delayed until a more definite idea can be looked at concerning the potential increases in the next fiscal year. It was the concensus of the committee to follow his suggestion.

The meeting was adjourned by the Chairman.

PRESENTATION TO SENATE WAYS AND MEANS COMMITTEE - MARCH 24, 1983
ON UNIVERSITY SUPPLIES AND EXPENSE BUDGETS.

MY NAME IS ERNEST E. ANGINO. I AM A PROFESSOR OF GEOLOGY AND CIVIL ENGINEERING AT THE UNIVERSITY OF KANSAS. I AM HERE TODAY AT THE REQUEST OF SENATOR WINT WINTER TO DISCUSS THE ISSUE OF SUPPLIES AND EXPENSE MONIES AT THE STATE UNIVERSITIES, AND IN PARTICULAR AT THE UNIVERSITY OF KANSAS. I WILL NOT REPEAT THE USUAL LITANY OF PROBLEMS CAUSED BY THE HABITUAL SHORTAGE OF FUNDS IN THE SUPPLIES AND EQUIPMENT LINE. YOU HAVE THAT INFORMATION. WHAT I WISH INSTEAD IS TO ALERT YOU TO THE LONG-TERM EFFECTS OF PAST ACTIONS ON THIS BUDGET LINE.

FIRST, I KNOW FUNDS ARE TIGHT. HOWEVER, EVEN IN THE PERSPECTIVE, A STATE AND ITS PEOPLE TELEGRAPH THEIR PRIORITIES BY WHAT THEY DO, NOT BY WHAT THEY SAY. WHEN ONE ADDS UP THE ANNUAL UNDERFUNDING OF THE SUPPLIES AND EQUIPMENT BUDGETS OVER THE LAST 10 YEARS, AND THE DIFFICULTIES THESE SHORTFALLS HAVE CAUSED, SUCH AS OUTMODED EQUIPMENT, UNAVAILABILITY OF NEW INFORMATION BECAUSE OF A LACK OF LIBRARY HOLDINGS, LACK OF CHEMICALS, THEN THE REAL SITUATION WILL PRODUCE THE FOLLOWING INEVITABLE RESULTS.

WE ARE NOT DOING AN EXCELLENT JOB OF TEACHING THE STUDENTS OF KANSAS. HOW CAN ONE, WHEN EQUIPMENT DOESN'T WORK, CANNOT BE

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FIXED OR REPLACED, AND THEREFORE EXPERIMENTS AND RESEARCH CANNOT BE PERFORMED? IN A TIME WHEN THE STATE IS PREACHING THE NEED AND, INDEED, THE URGENCY OF ATTRACTING HIGH TECHNOLOGY TO KANSAS--YOUR ACTIONS IN DOING LITTLE TO CORRECT THIS SITUATION PUT THE CREDIBILITY OF THE LEGISLATURE IN DOUBT. OUTSIDE INTERESTS PAY FAR MORE ATTENTION TO WHAT YOU DO RATHER THAN WHAT YOU SAY. FAILURE TO GIVE ATTENTION TO SOLVING THE NEED FOR ADEQUATE SUPPLIES AND EQUIPMENT IN THE UNIVERSITIES UNDERMINES ALL THE PR REGARDING THE STATE INTEREST IN HIGH TECHNOLOGY, INDUSTRY, AND RESEARCH. SMOKE SCREENING JUST WON'T WORK. 75% OF THE PRESENT SCIENTIFIC AND TECHNICAL EQUIPMENT AT THE UNIVERSITY OF KANSAS, FOR EXAMPLE, WAS PURCHASED WITH OTHER THAN STATE FUNDS.

INADEQUATE COMPUTER EQUIPMENT, HIGH TECHNOLOGY EQUIPMENT, AND LACK OF SUPPLIES FRANKLY SHORT CHANGES STUDENTS, FRUSTRATES FACULTY, AND DEFEATS THE PURPOSE OF HIGHER EDUCATION. WHY EDUCATE IMPROPERLY AND INADEQUATELY? WE ARE MORTGAGING THE FUTURE OF THE STATE AND GROWING DISEASED SEED CORN. BY THE TIME A STUDENT SPENDS FOUR YEARS IN THE PRESENT SITUATION AT THE STATE UNIVERSITIES, HE OR SHE HAS RECEIVED THE MESSAGE OF THE PRIORITY THE LEGISLATURE PLACES ON KNOWLEDGE. IT SHOULDN'T BY ANY SURPRISE TO ANYONE THAT THESE INDIVIDUALS LEAVE THE STATE UPON GRADUATION. THEY ARE IN EFFECT INVITED TO LEAVE. THE SITUATION IS INTOLERABLE, IT IS A DISGRACE, AND DESERVES YOUR ATTENTION NOW.

THANK YOU.

STATE OF KANSAS

WINT WINTER, JR.
SENATOR, SECOND DISTRICT
DOUGLAS COUNTY
2229 WEST DRIVE
BOX 1200
LAWRENCE, KANSAS 66044



TOPEKA

SENATE CHAMBER

COMMITTEE ASSIGNMENTS
VICE CHAIRMAN JUDICIARY
JOINT COMMITTEE ON
SPECIAL CLAIMS AGAINST
THE STATE
MEMBER EDUCATION
FEDERAL AND STATE AFFAIRS
LOCAL GOVERNMENT

MEMO

To: Senate Ways and Means Committee
From: Senator Wint Winter, Jr.
Date: March 24, 1983
Re: 1984 Regent's Budget

Mr. Chairman and Members of the Committee:

Thank you for the opportunity to make this statement to you regarding higher education in Kansas. During your committee discussions, I would urge you to remember two things.

First, the Governor's 1984 Budget Recommendations make a sharp and dramatic departure from the historic pattern in Kansas of providing adequate funding for high quality post-secondary education in Kansas. The first chart which I have shows the general fund spending priorities in the Governor's budget. Considering the Senate's responsible action in restoring almost \$9 million to the SRS budget, the budget for the Regents' schools shows an actual decrease of more than \$2 million in general fund appropriations from the 1983 base appropriated by the Legislature. Students at Kansas Regents' schools will show their commitment to education by paying tuition which will increase 20% and contribute to a total increase of almost \$14 million in tuition and revenue over last year. To the dismay of many, however, more than \$2 million of that tuition increase will not contribute to the education of those tuition payers, but would be used under the Governor's plan to fund other state operations. The fall of the Regents' system to the bottom of the Governor's priority barrel should not be countenanced by this Legislature as it does not accurately reflect the feelings of the people of this state.

Secondly, when considering percentages remember that, for instance, the Governor's proposed "7%" increase in OOE is not, in fact, an increase of that amount over the amount approved by this Legislature for 1983. Using the budgetary slight of hand mechanism of the "base budget reduction", the Governor's budget recommendations slashed more than \$14 million from the 1984 Regents' budget. For instance, the faculty/staff salary funding amount is actually a .3% increase over the 1983 appropriated amount. The Governor's OOE budget puts a virtual freeze on that area with an increase over the original 1983 base of .2%.

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While our legislative responsibility of fair and equal salary treatment of state employees and the need to attract and maintain quality faculty and classified staff cannot be forgotten, the focus of the current debate must be on the OOE and equipment budgets in the Regents' system. The action of the House committee on OOE is an actual reduction in the OOE funding over the original 1983 base. The OOE budget provides the fundamental tools for teaching and research professionals to carry out their job of education and providing a base for economic development in Kansas. The drastic cutback made by the House committee, on top of the 4% reduction of last year, results in a virtual strangulation of the ability of our Regents' schools to carry out the fundamental mission of education for which the people of this state spend millions of dollars. Thousands of teaching professionals, staff and students can survive a temporary setback in salary, but the dramatic and debilitating cutback in OOE ties the hands of our educational institutions. By analogy, leaving OOE funding at the level set by the House committee would be like leaving the fuel tank of the new \$70,000 combine empty at harvest time.

Just like the inadequate OOE funding, the Governor left unfunded a \$1.4 million request from the Board of Regents for much needed equipment, computers and library acquisitions. Those requests provide the necessary foundation for the development of the "High Tech" economic drive which is so badly needed. The expenditure of funds for specific high tech purposes without providing the foundation for those efforts through OOE and basic equipment would amount to an unconscionable waste of taxpayer money.

In summary, I very strongly urge the committee to take the following two separate actions:

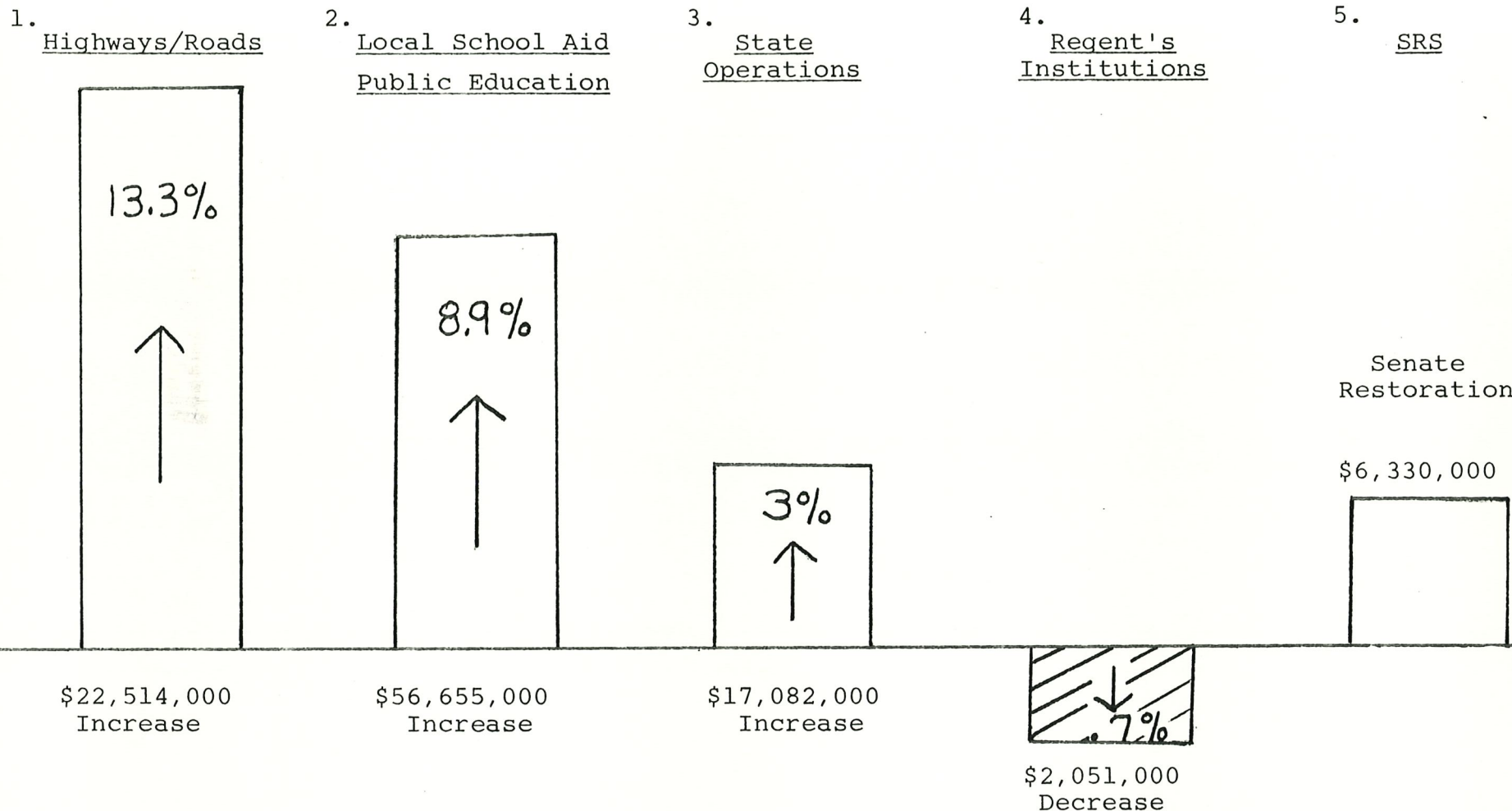
- (1) Restore the OOE funding level to a minimum of the funding approved by the legislature last year (this amounts to restoring the budget to the recommended 7% level from 5.5%); and
- (2) Provide a separate "Instructional Equipment" line appropriation to the Regent's budget from the Regent's request in order to provide the foundation for the much needed "high tech" development. "High tech" development cannot occur in a vacuum, so I urge you to use the \$1.5 million recommended by the Governor for "high tech" and fund equipment needs at the Regents' schools on a per FTE basis to provide an adequate support base.

Thank you for the opportunity to appear before you. I appreciate your time and attention to this subject.

A. GOVERNOR'S TAX MONEY SPENDING PRIORITIES

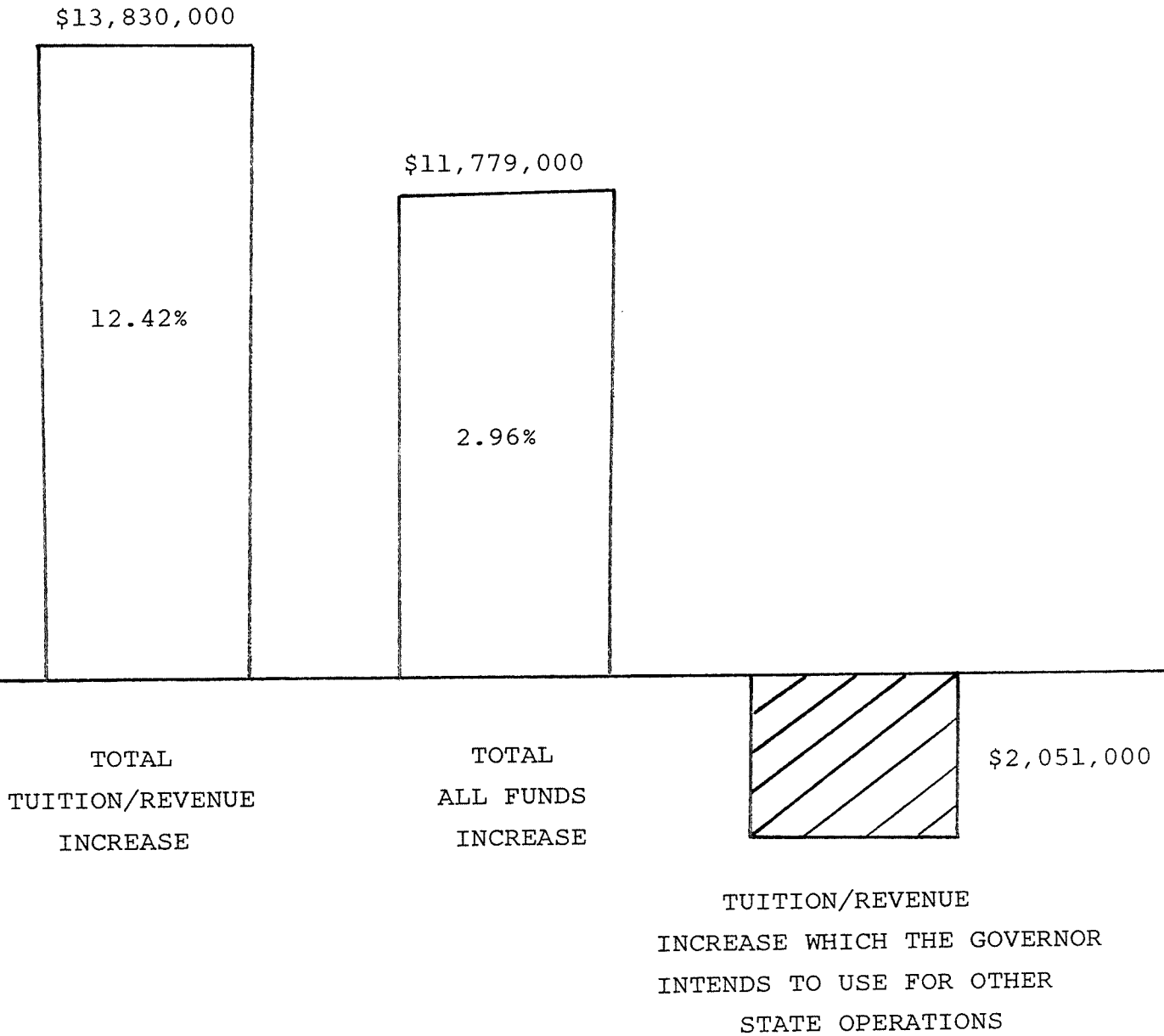
ORIGINAL 1983 BASE VS 1984 GOVERNOR'S RECOMMENDATION

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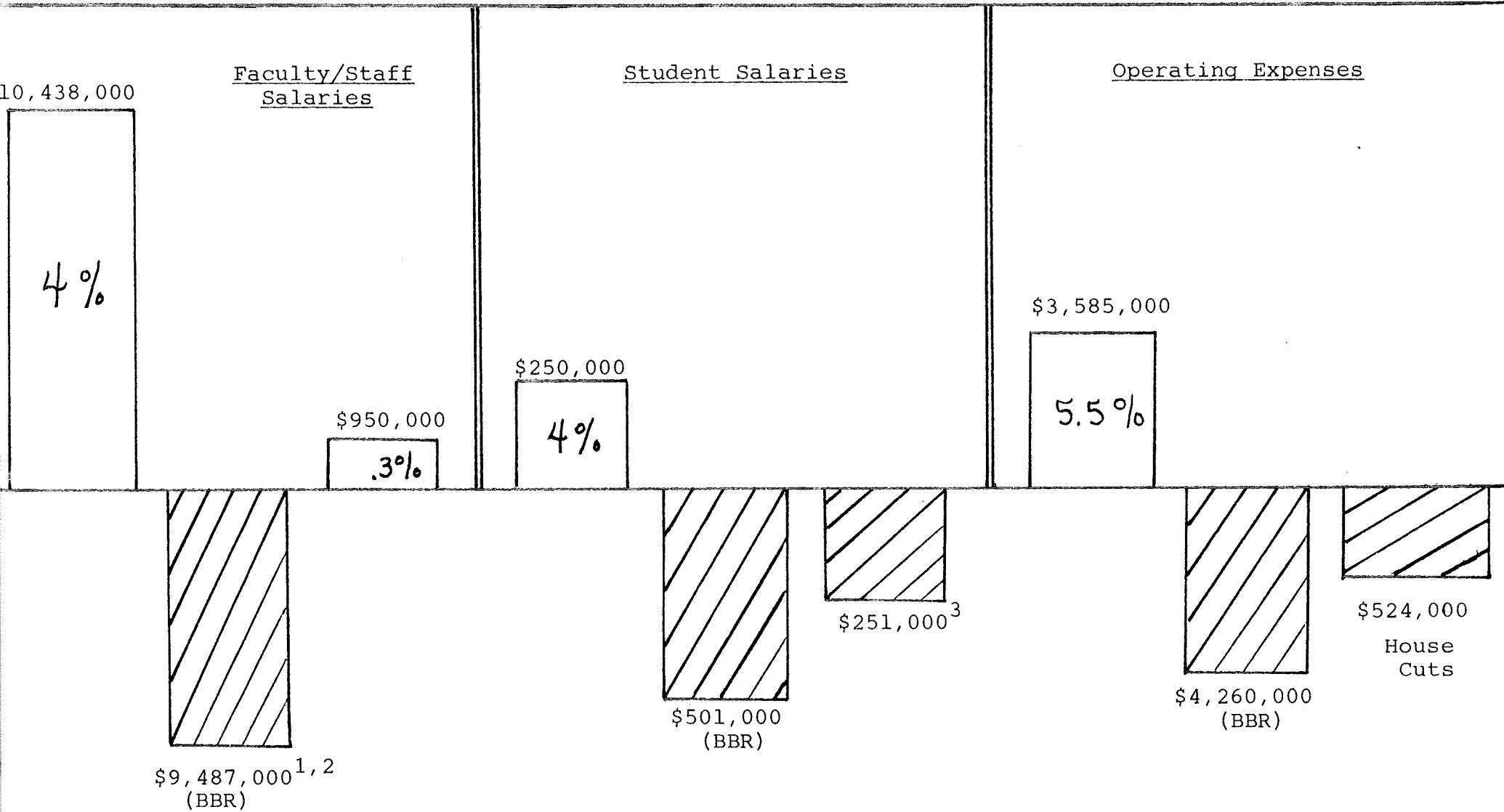
B. 1984 TUITION/REVENUE INCREASE TO OTHER OPERATIONS

1983 BASE VS 1984 GOVERNOR'S RECOMMENDATION



C. ACTUAL INCREASES IN 1984 RECOMMENDATIONS OVER 1983 BASE

"BASE BUDGET REDUCTIONS" APPLIED TO INITIAL SUGGESTIONS



¹\$7,764,000 "saved" by elimination of 347 jobs/positions (179 faculty and 168 staff)

²\$1,723,000 "saved" by actual recommendation of funds to support only a 3% increase rather than the announced 4% increase

³Does not include \$700,000 proposal for work study

Equipment age, funding take toll at KU

By RON JENSEN
J-W Staff Writer

During his days as a Kansas University graduate student, Ron Borchardt, now a KU professor of biochemistry, would occasionally leave the world of academia to visit an industrial facility. During these visits, he recalled, he was impressed by the outdated equipment used in the private sector, compared with what was used in the university laboratories.

Now, he said, the tide has turned. It is in the laboratories of colleges such as KU where the outdated equipment is found, while industry maintains "state of the art" technology.

Across the Mount Oread campus, faculty scientists are decrying the lack of adequate equipment — both in the research laboratories used primarily by graduate students and in the instructional labs for undergraduates.

THE REPUTATION of the university is at stake, some say, and there is no remedy immediately visible. One professor said a list of needed equipment in some disciplines to bring KU up to the level of universities in neighboring states carries a price

tagging equipment, page 6A

(Continued from page 1A)

tag of \$10 million, but the university's entire yearly budget for equipment is a mere \$100,000.

Students graduating from KU are suffering, the professors said. They can't compete with students from other schools who have been trained on the most modern equipment.

Undergraduate students who are required to take a laboratory science course for graduation credit must squeeze into labs built for smaller class sizes and must share equipment.

THE STATE'S ABILITY to attract high technology industry is as limited as the university's ability to upgrade its equipment, the professors said.

"The farther and farther you fall behind," Borchardt said, "the more difficult it is to catch up."

Chancellor Gene Budig has referred to KU's equipment woes several times. The professors who work in the labs and the classrooms can provide more specific information.

For instance, Borchardt said a mass spectrometer is needed at KU. The machine capable of measuring the mass of a molecule has a price tag of \$400,000 to \$500,000, but would provide KU students doing research of this type with the same capability as students from other universities — students with whom they will soon be competing in the job market.

"WE'RE NOT TRAINING state of the art students," Borchardt said. "Other universities have them. Competitively, those students (from other universities) are more attractive to industry and other institutions."

The equipment problem hurts the university in its attempts to attract grant money for research, he said. It also could result in faculty members leaving KU for greener — and better equipped — campuses.

Borchardt wondered, "How long are the good faculty going to stay at the University of Kansas if they don't have the instrumentation to do research?"

Jack Schlager, chairman of KU biological sciences, said physiology labs are lacking in physiographs. There are 12, he said, but only six are operable. They cost \$10,000 apiece.

The end result, he said, unless is something is done, is that physiology labs at KU may become extinct.

"IF WE DON'T replace that equipment, in three years we may not have

the ability to have a physiology lab," he said, a possibility he labeled "ludicrous."

In some labs, he said, where each student requires a microscope, students must share them, which affects their ability to do the work. The department would need dozens of them at \$600 to \$900 apiece, he said, "just to bring us up to snuff."

"We have had years and years and years of no equipment allocation," he said. "The last one was four years ago and we got \$50,000. It has been years since we have been adequately funded for equipment."

Marlin Harmony, chemistry professor, discussed the problems found in undergraduate labs.

"These very often are relatively expensive pieces of equipment, but you need a lot of them," he said.

A CHEMISTRY LAB may need a \$25 item for each student, but there

may be 900 students in the lab. The current equipment budget, he said, does almost nothing in the way of keeping labs modern.

"Until the university budget shapes up, we're going to fall farther behind in modernizing our undergraduate laboratories," he said.

It is in the graduate study area where Harmony said the "big ticket" items are found, although they are found with less frequency around the KU labs.

"If one is going to stay at the forefront in the scientific area . . . then the university needs to build up its equipment base much larger than it is," he said. "This type of equipment has been hard to get for years and years."

EACH YEAR THE equipment budget at the university is less than what is needed, he said, it becomes

more difficult to catch up.

"It eventually just begins to affect the quality of instruction and the quality of learning for the students," he said.

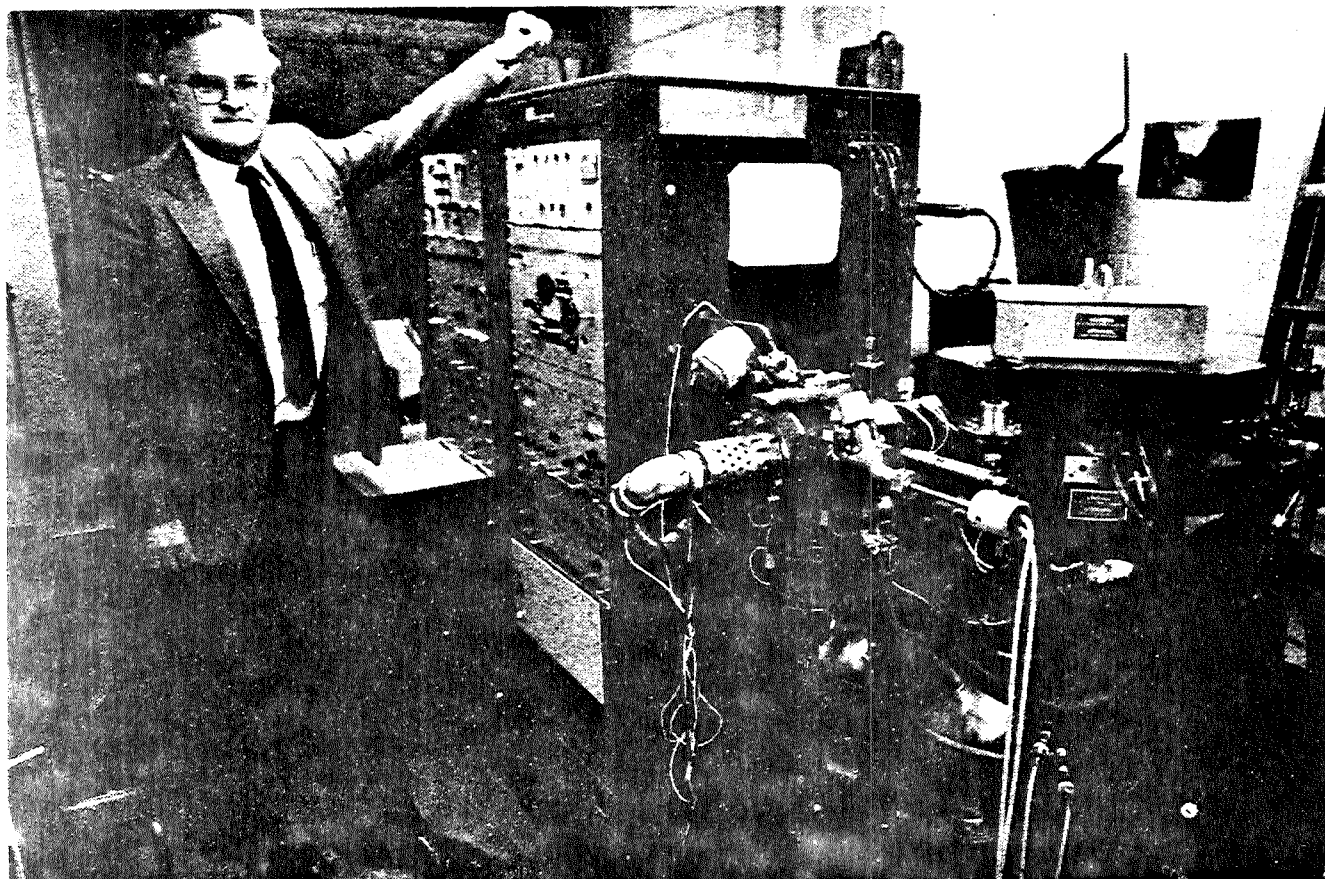
The state's effort to attract high technology, he said, also suffers. "It's rather ludicrous with the kind of base support we've had," he said.

John Davidson, chairman of physics and astronomy at KU, went beyond mentioning just the equipment. He said the current physics labs were designed in 1950 and occupied in 1952, and are suited to hold 24 students.

Enrollment increases have sometimes placed 27 students in those labs. The department has to squeeze them in "and hope that three or four of them will drop out," Davidson said. It is "impossible" to teach under those conditions, he added.

"THERE'S JUST NO way that we

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Les Mitscher, University Distinguished Professor of Medicinal Chemistry, joins KU faculty in bemoaning aging equipment such as these machines in Malott Hall. "Our students are not getting the benefit of hands-on experience," he said. "We have lesser sophistication, bits of old equipment that we're able to keep alive."

(Staff photo by Richard Gwin)

can do a first-class job," he said.

Some of the department's oscilloscopes, he pointed out, were given to the university after the Korean War. The operable machines — electronic instruments which produce a visual display corresponding to some external signal — are still being used at KU.

"You can't replace those parts because they don't make them anymore," he said. The department needs three or four of them at a cost of \$3,000 to \$4,000 apiece.

"The situation is uniformly bad across the university," he said.

He later said, "This is not Podunk U. This is one of the country's big universities. (At Iowa State University) they're much better funded in this regard than we are."

Davidson said the problem can't help but erode the kind of education students at KU are receiving, and added, "It affects the whole flow of the educational process at the university."

WHAT ABOUT ATTRACTING high technology industry to the state?

"They expect to have, when they come here, a high technology university," he said.

Les Mitscher, University Distinguished Professor of Medicinal Chemistry, said, "Modern research requires quite expensive equipment for structural analysis of new compounds."

It is difficult to come up with the money needed for such equipment, and the state budget can almost never provide such money, he said.

One piece of needed equipment, he said, is a nuclear magnetic resonance machine, which lets researchers observe the interaction of molecules.

"It's difficult for us to compete without it," Mitscher said. "All of the schools around the country who are competing with us for high technology have this type of equipment. So Kansas is starting way back in the pack."

ANOTHER PIECE of equipment that is needed, he said, is a mass spectrometer. The nearest one is at the University of Nebraska.

"Our students are not getting the benefit of hands-on experience," he said. "We have lesser sophistication, bits of old equipment that we're able to keep alive."

Much of the equipment used in the

labs now, he said, was state of the art five to 10 years ago.

The problem has been a "gradual bleeding" over the years, he said. It didn't happen overnight, and the solution won't happen overnight.

A group of scientists in various departments at the university drew up a list of equipment needs, Mitscher said, that would make the university competitive with other universities. The cost of the machinery on that list was \$10 million. The scientists recognize the impossibility of coming with that money, so priorities have been made.

"ONCE WE'VE GOT No. 1, then we work on No. 2 and so on down the line," he said. "There is no high technology without the proper equipment and personnel. Nobody's going to come to Kansas simply because we say they're welcome."

It's possible, Mitscher said, that sooner or later the university's reputation as a leading school in science education will be tarnished.

"You can live on your past reputation for a while," he said. "Sooner or later, your reputation drops. Then you've got the opposite problem."

John O'Brien, a professor of systematics and ecology, is unable to teach students in his limnology lab — the study of fresh water — on the same type of equipment they will use as professionals in the field.

"We just have not been able to afford the type of equipment (the students) would use should they go to the EPA or a state lab," he said.

One piece of this equipment — called an autoanalyzer — costs \$15,000 to \$20,000.

THE UNIVERSITY has given him funds for transportation to sites to conduct research with his classes, he said, but "other than that, every piece of big equipment I have purchased off a research grant."

Asked for an opinion on how the university got into this predicament, O'Brien offered one idea. The light bill and heating bill must be paid, he said. So must the faculty.

"The one thing you can put off for this year is to update your teaching equipment," he said. "So for years and years now, we've deferred this chronic need."

Some legislators, he said, honestly believe the university budget has some excess.

"It just isn't true," he said. "It just isn't true."

THE UNIVERSITY OF KANSAS CHAPTER
American Association of University Professors
LAWRENCE, KANSAS 66044

March 23, 1983

My name is Sidney Alan Shapiro and I am a Professor of Law at the University of Kansas. I represent the more than four hundred members of the University of Kansas Chapter of American Association of University Professors (AAUP) and the state chapter of the AAUP.

The AAUP commends the legislature for the significant support that has been given to the state's universities. The universities in Kansas have been able to build a considerable record of excellence based on this generous and continuous support.

Unfortunately, the state's financial crisis threatens the continuing success of these efforts. A Draconian budget would erode the success that many departments and programs have been able to build. As a consequence, we face the prospect that any short-run savings will be more than exceeded by the money necessary to restore programs to their previous levels of achievement.

Hopefully, no legislator is operating under a misperception that the state's universities can survive a year or more of Draconian budgets because cuts will only eliminate "fat" that has been built up over the years. To meet the Governor's four percent cutback, the universities found it necessary to cancel such essentials as popular classes, supplies for laboratory experiments, computer time for learning purposes, and books and journals in the library systems. More importantly, the hardships imposed by the Governor's cuts have been less serious than "invisible" cuts imposed by the high rates of inflation of the last few years. Although the state's budget commitment has been generous, inevitably the state could not afford to fund programs to keep up with the rate of inflation. As a result, inflation has wrung out of the university budgets any "fat" that previously may have existed.

AAUP recognizes the necessity to economize at this time. We also fully realize that there are many other worthwhile programs that the state must continue to fund. At the same time, we urge you to act responsibly and fairly by recognizing that all state programs, including those of the state's universities must be funded at realistic levels. Realistic funding levels include at least a four percent

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salary increase for nonclassified employees and an increase in other operating expenses (OOE) greater than the five and one-half percent increase authorized by the House of Representatives. The OOE amount is especially critical: funding at the amount recommended by the House would cause severe problems for teaching in the sciences and for maintenance of an up-to-date library system. Both of the areas are essential if industry in the state is to compete in high technology markets in the future.

AAUP recognizes that funding the universities at realistic levels will require significant new sources of revenue. We urge you to make this commitment, for without it, the state will end much of the progress in education achieved in the past. The failure to act responsibly to raise the revenues necessary to provide a realistic budget will be an unfortunate signal to the faculty that the state is no longer supportive of their efforts. Such a signal will weaken institutional loyalties, depress morale, and cause the best professors to leave. The means are available to you to avoid those consequences. We hope that you will be bold and forthright and meet the needs of our state's universities at this difficult time.

TESTIMONY OF ROBERT L. SARNA
SE WAYS AND MEANS COMMITTEE
MARCH 24, 1983

I APPEAR BEFORE THIS COMMITTEE TODAY AS AN ALUMNUS OF THE UNIVERSITY OF KANSAS GRADUATE SCHOOL, AS A FORMER TEACHER IN THE SCHOOL OF BUSINESS, AND AS A CONCERNED FATHER WHO WILL HAVE A DAUGHTER ATTENDING THE UNIVERSITY OF KANSAS NEXT YEAR. I ALSO APPEAR AS A BUSINESS MANAGER, HAVING SPENT 13 YEARS IN THE MECHANICAL AND ELECTRICAL BUSINESS AND THE LAST 4½ YEARS AS A PROPERTY MANAGER RESPONSIBLE FOR LEASING AND MAINTAINING RENTAL PROPERTY.

ANYONE RESPONSIBLE FOR MANAGEMENT OF A BUSINESS IN THESE TROUBLED ECONOMIC TIMES KNOWS THE MEANING OF AUSTERITY, THE PRACTICE OF EXTREME OR ENFORCED ECONOMY. EFFECTIVE MANAGEMENT IN THIS PERIOD OF SEVERE RECESSION HAS DICTATED CUTTING OPERATING EXPENSES TO THE BARE BONE, NOT MERELY AS A MATTER OF PROFITABILITY, BUT AS A MATTER OF SURVIVAL. IN RECENT AND IN CURRENT TIMES THERE IS NO QUESTION THE UNIVERSITY OF KANSAS, AS WELL AS OTHER REGENTS INSTITUTIONS, HAS HAD TO EFFECT SEVERE AND PAINFUL CUTBACKS IN ALL AREAS OF OPERATION MERELY TO SURVIVE AS AN OPERATING INSTITUTION.

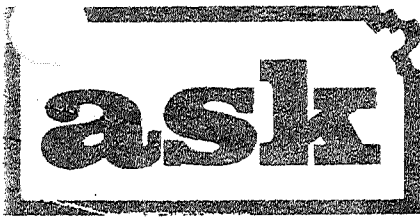
AS CHAIRMAN OF THE K.U. AFFAIRS COMMITTEE OF THE LAWRENCE CHAMBER OF COMMERCE THIS PAST YEAR, A LIASON COMMITTEE BETWEEN THE BUSINESS AND EDUCATIONAL COMMUNITY, I HAVE HAD THE OPPORTUNITY TO OBSERVE CLOSELY THE STRUGGLES INVOLVED WITH THE FUNDING OF SALARIES AND OPERATING EXPENSES AT THE UNIVERSITY OF KANSAS. IT IS MY OPINION, AS WELL AS THAT OF MANY MEMBERS OF THE BUSINESS COMMUNITY FAMILIAR WITH THE REGENTS BUDGET, THAT IT WOULD BE POOR BUSINESS JUDGEMENT TO MAKE FURTHER CUTS IN THE OPERATING EXPENSE PORTION OF THE BUDGET.

AS LEGISLATORS AND CITIZENS, WE MUST PRESERVE AND INVEST IN OUR MOST IMPORTANT ASSET, OUR YOUTH. WE MUST NOT ALLOW OURSELVES TO FALL BACKWARD IN PROVIDING THE ENVIRONMENT NECESSARY TO EDUCATE AND TRAIN OUR YOUNG PEOPLE; PEOPLE WHO WILL BE THE FUTURE LEADERS OF OUR COMMUNITIES, WHO WILL OPERATE THE BUSINESSES, DEVELOP THE TECHNOLOGY, INVEST THE CAPITAL NECESSARY TO PROVIDE JOBS FOR OUR CITIZENS. IF WE NEGLECT THIS IMPORTANT RESPONSIBILITY NOW, KANSAS MAY NEVER RECOVER.

I WOULD URGE EACH OF YOU, AS RESPONSIBLE AND RESPONSIVE LEADERS, TO DO EVERYTHING POSSIBLE TO AVOID ANY FURTHER CUTS IN OPERATING EXPENSE ALLOWANCES. WE MUST PROVIDE AT LEAST MINIMUM REQUIREMENTS FOR VITAL SUPPLIES, EQUIPMENT, BOOKS, AND OTHER EXPENSES TO SUPPORT OUR REGENTS EDUCATIONAL SYSTEM AND MAINTAIN THE QUALITY OF INSTRUCTION KANSANS EXPECT AND DESERVE. THE BUSINESS OF EDUCATING OUR YOUTH MUST BE ONE OF OUR VERY TOP PRIORITIES.

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Tom A.



ASSOCIATED STUDENTS OF KANSAS

1700 College
Topeka, Kansas 66621
(913) 354-1394

Statement to the Senate Ways and Means Committee on H.B. 2148, March 24, 1983, by Mark Tallman, Executive Director of the Associated Students of Kansas, representing 85,000 students at the state universities and Washburn.

Thank you, Mr. Chairman. I appreciate the opportunity to speak to you on behalf of the Associated Students of Kansas. These positions have been developed in conjunction with the Student Advisory Committee to the Regents and the Student Senates of the state universities.

In this time of severe budgetary constraints, we have prioritized one issue we believe the most important to Kansas students--the issue of student assistance. The problem is rising educational costs and declining federal financial aid spending. The answer, we believe, is a state work-study program, a plan developed from models in other states, with the help of other higher education groups; endorsed by Governor Carlin at a \$700,000 funding level; and approved by the House at \$562,000. We would assure the committee that this program represents our highest priority for the 1984 budget.

Students and Tuition

The importance of this request can be understood by reviewing the tuition situation. In recent years, tuition has been criticized as being too low, relative to the 25% fee/cost ratio that was informally established in 1966. Indeed, tuition had fallen far below that ratio, leading to sharp increases as shown by the first chart

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AHG 3-24-83 NOON

at the back of this statement. These increases of 60% in four years, coupled with cuts in the university budgets this year, have significantly improved the student fee side of the fee/cost ratio.

Although Legislative Research has reported that tuition would have generated only 21% of the "cost of education" in the Regents' 1984 request, we feel this is somewhat misleading. Last year, the Regents' modified the fee/cost ratio in approving a 20% tuition hike for FY 84. They voted to exclude utilities from the cost side. Utilities are, of course, one cost that has changed significantly since 1966. The legislature recognized this by removing utility costs from Other Operating Expenses, a move the Regents used to justify removing utilities from the "cost of education." Also, the Regents included special academic fees paid in addition to tuition, which certainly should be included on the "fee" side.

When these changes are factored in, and fees income is compared to the Governor's recommendations for FY 84, the fee/cost ratio rises to 24.5%. As the House has already reduced the Governor's budget, it is certainly probable that the ratio will reach 25% for 1984.

The Student Advisory Committee and ASK have voted to accept the 25% fee/cost ratio as defined by the Regents, fully aware that it will mean tuition increases; a position probably unique among student associations in the nation today. But in doing so, we believe also that the state must take steps to assure tuition education will not price deserving students out of the educational marketplace. In accepting the 20% tuition increase that takes effect this fall, we have continually maintained that a portion of this income must be returned to students in the form of financial aid, specifically the

work-study program.

Included in the packets we have given you are copies of ASK's original proposals for a work-study program, of testimony delivered to the 1202 Commission and House Ways and Means Committee, H.B. 2387 by Rep. Vic Miller, embodying our proposals, and a copy of a letter from Governor Carlin endorsing this bill.

After the body of this statement, you will find charts showing the increases in educational expenses for students, and the relative decline in financial assistance. Chart 2 shows, as an example, that the average annual cost of attending Kansas State have increased by nearly \$1,700 since 1979, while the maximum Guaranteed Student Loan has not been increased at all (although interest rates have), and the maximum Pell Grants awarded at KSU increased only \$350 in this period. Chart 3 shows the dramatic decline in federal appropriations for campus-based programs, including the federal work-study program, which has been chopped in half. Finally, Chart 5 shows that while student salaries had been expected to rise fairly steadily, the allotment cuts have actually resulted in little or no growth. In fact, system-wide, student jobs were cut by 8%, well over the 4.3% reductions required from the universities as a whole.

The work-study program would help restore some equity to this situation. Without going into detail, these program elements as approved by the House should be noted:

1. It would be administered through the Regents' office, but would include students at private schools, community colleges and Washburn.

2. It would provide on-campus jobs to students with the state

paying 100% of the minimum wage at the state universities, providing the institution with a less expensive labor force. Private schools, community colleges, and public or non-profit agencies would be reimbursed for 80% of the minimum wage.

3. It would allow private employers to hire students with the state paying 50% of the minimum wage, matched at least dollar-for-dollar by the employer, stretching state appropriations much further.

4. The jobs would have to be part-time, temporary positions in the students' area of study, providing them on-the-job experience-- a true "work-study" program.

These two critical issues--tuition and the work-study program-- are the focus of our concern in H.B. 2148. One final area of concern is in the level of O.O.E. and the special Regents' request for library acquisitions, computers and instructional equipment. Across the state, universities have adopted or are considering special student fees to fund these areas. It is a measure of our concern that at KU, for example, the students themselves may vote to adopt some type of special fee to keep academic programs from deteriorating further. The concern is genuine; the need is real. We hope you will consider special appropriations in these areas.

Thank you for your time and consideration. I would be happy to answer any questions.

CHART 1

Tuition at State Universities

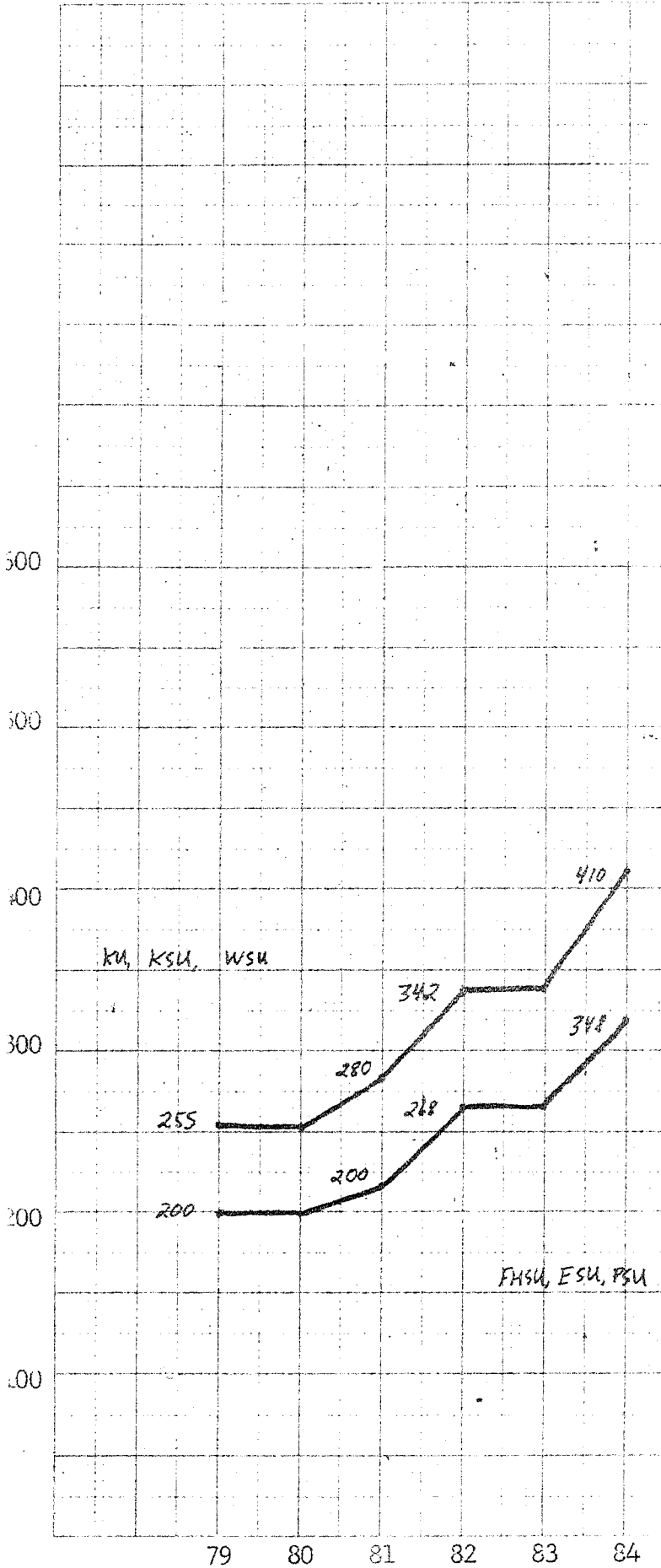


CHART 2

Total Educational Costs, Maximum Loans and Grants

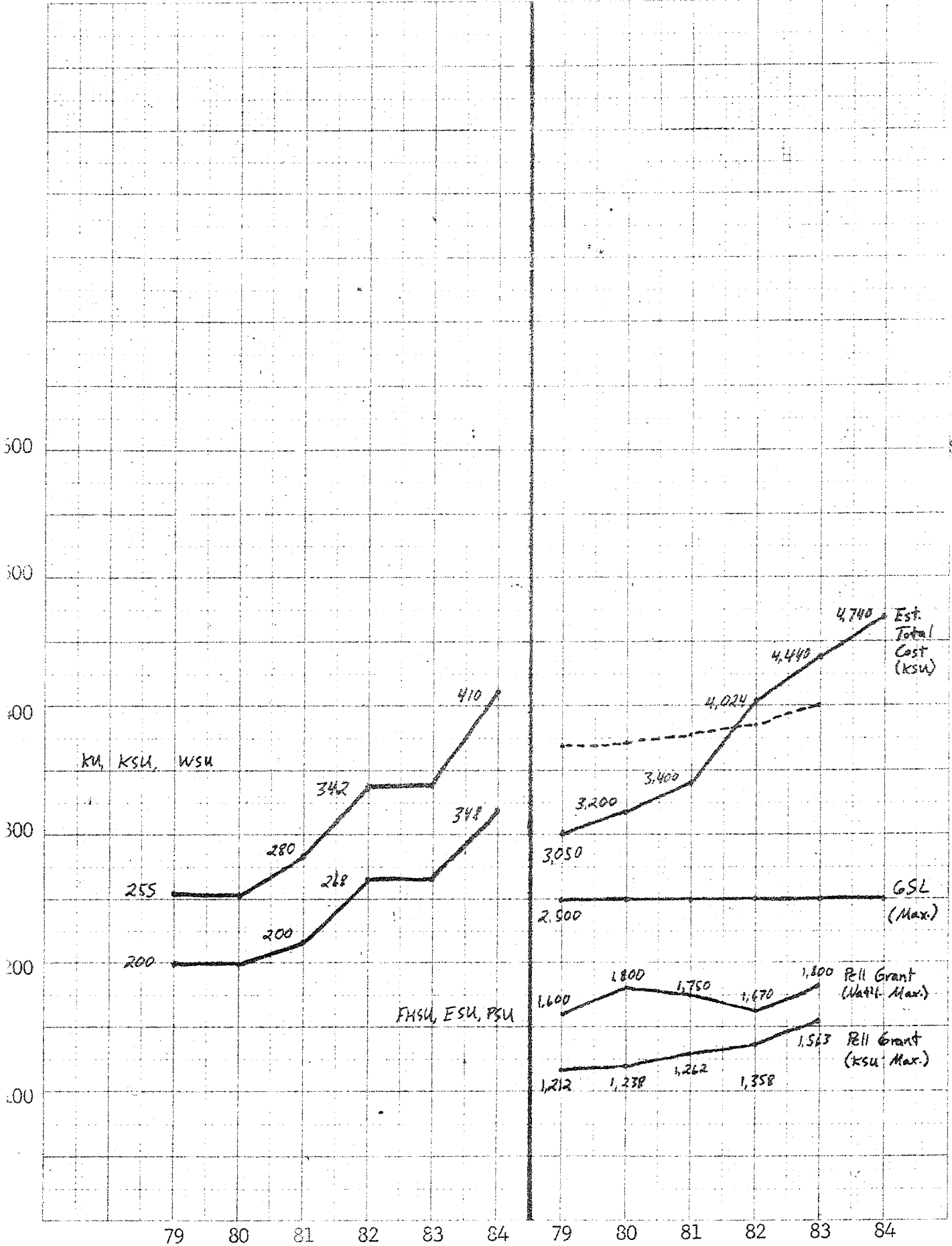


CHART 3
Federal Appropriations, Campus-based
(State Universities only)

CHART 4
State Scholarship Program
(Total Awards)

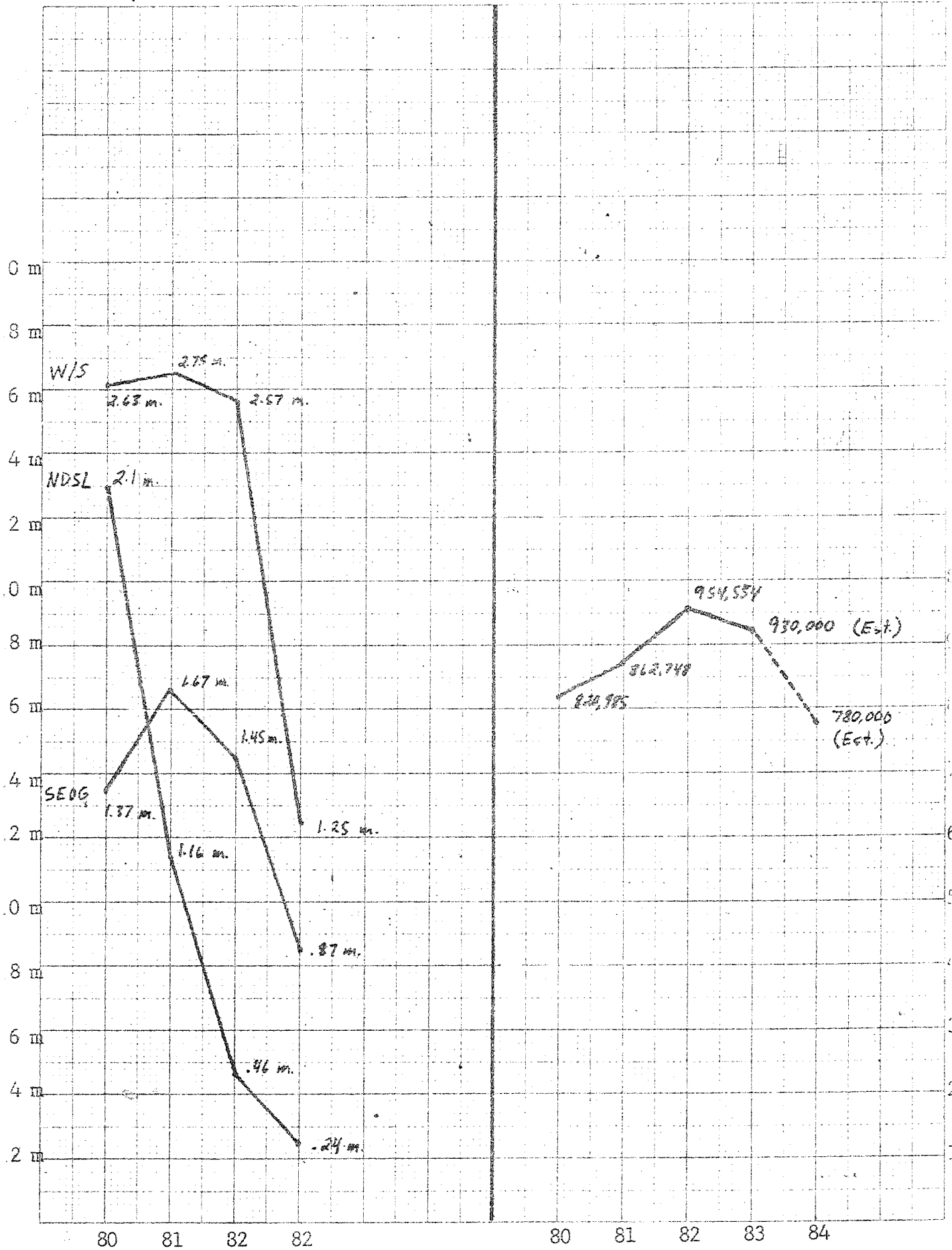
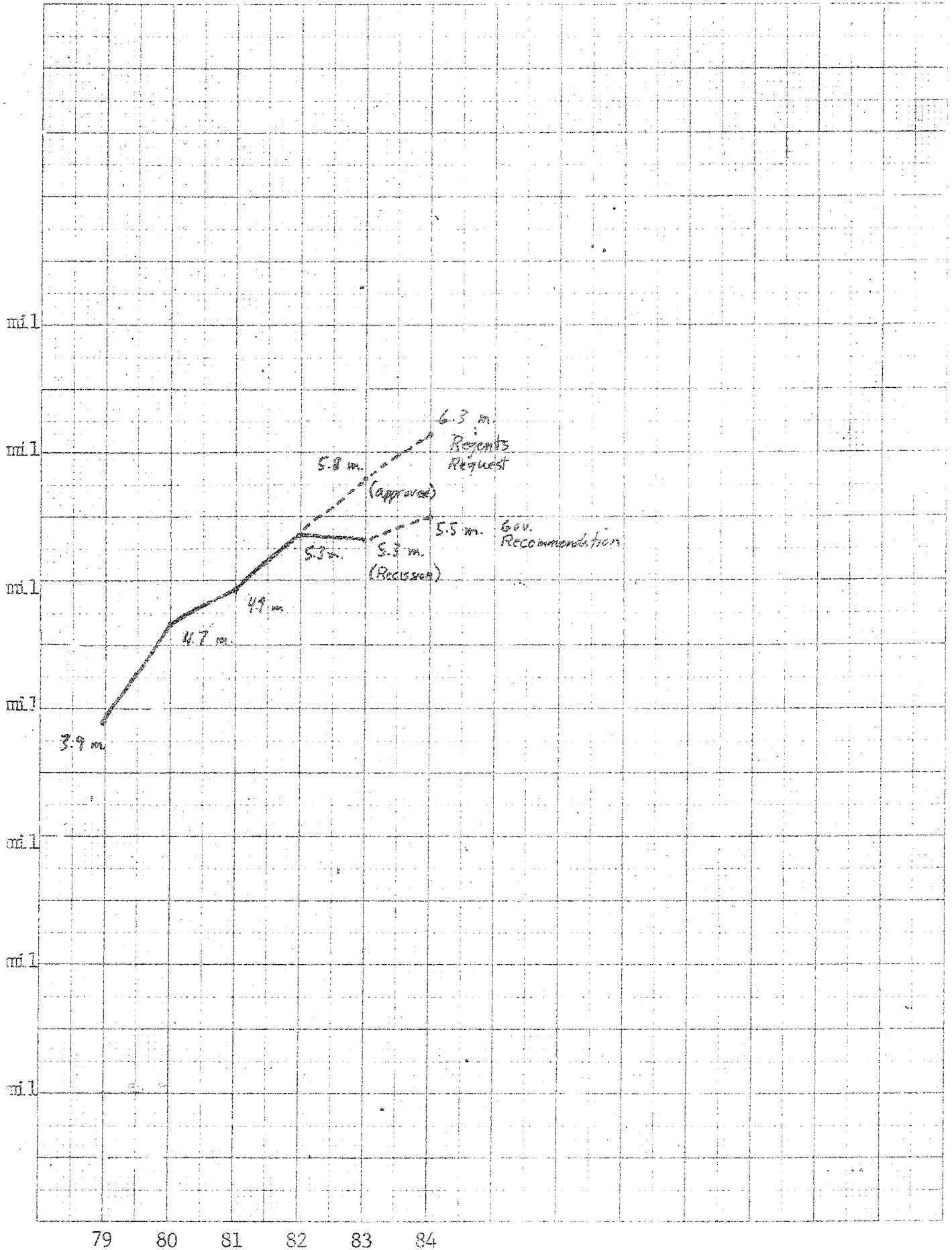
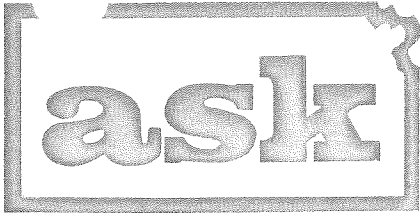


CHART 5
Student Salaries, State Universities





ASSOCIATED STUDENTS OF KANSAS

1700 College
Topeka, Kansas 66621
(913) 354-1394

Statement by

MARK TALLMAN

ASSOCIATED STUDENTS OF KANSAS
(ASK)

Before the

HOUSE WAYS & MEANS COMMITTEE

on

HB 2387

An Act concerning a program for employment and training for students at certain postsecondary educational institutions; prescribing powers, duties and functions for the state board of regents.

February 22, 1983

Representing the Students of:

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

Introductory Remarks

Mr. Chairman, members of the House Ways and Means Committee, my name is Mark Tallman and I am executive director of the Associated Students of Kansas, representing the students of the public universities in Kansas. I am here to speak in favor of House Bill 2387.

Background

To begin with, we would like to thank Rep. Vic Miller for having HB 2387 drafted and introduced. The bill was developed from an ASK proposal that is included in the program we have distributed to members of the Legislature. You can refer to that program for more information on our proposal.

Student interest in a state work-study program grew out of last spring's decision by the Board of Regents to raise tuition 20%, effective next fall. (Fall semester, 1983) Our concern was not only with that particular increase, but also with the rationale by which tuition is set, and its implications on public higher education. As the committee is aware, tuition is pegged to the so-called "cost of education," defined as the cost of the general educational program, excluding organized research, extension services, auxilliary enterprises, and capital improvements. On a system-wide, multi-year average, student fees are supposed to generate 25% of that cost. The fact that tuition levels have not kept pace with that ratio has, we believe, two implications. First, students have faced fairly sharp increases in fees in recent years to "catch-up" somewhat. You might recall the tuition increase that was nearly mandated by the legislature several years ago. The fee/cost ratio is still below 25%, and future increases are probably inevitable. Second, however, we think the Regents have been reluctant to boost tuition as sharply as they would need to in order to meet the ratio because of concern over the ability of the public to tolerate or absorb sharply higher costs.

Although we hope to discuss the tuition situation in more depth when you consider the entire Regents' system budget, we would offer these comments. First, we view tuition as a "user fee" paid by students for a public services, not as the pricetag for a product on the marketplace. Second, the current tuition policy is highly regressive. State support offers a higher education at a cost easily accessible to the higher income groups and relatively accessible to middle income groups. But tuition levels set a hundreds of dollars a semester, when combined with other college costs, may well be beyond the reach of lower income groups.

Kansas tuition is almost always referred to as a "bargain," but that misses the point. An \$800 suit marked down to \$600 may be a bargain, but it is still beyond the reach of many citizens. Tuition in Kansas may be a bargain relative to private universities or even public schools in some other states, but that does not mean that our universities are accessible to all qualified citizens.

Faced with this problem, student leaders debated a great deal about what policy to support, trying to strike an appropriate balance between the need to maintain quality programs, the limitations of state resources, and the financial accessibility to students being served. The position finally adopted was this: tuition increases under the fee/cost ratio are appropriate, but only if the state at the same time increases its commitment to student financial aid. The work-study proposal was developed as way to do just that.

The Need

In order to demonstrate the need for this program, we have collected information on the cost of a student's education and on sources of financial aid. Several informational charts follow the body of this statement. Chart No.1 shows the increases in tuition at the regional universities, represented by the bottom line, and the major universities, represented by the top line, since fiscal 1979.

Note the increases over this period, and the projected increase for next year. (Source: Board of Regents' office.)

Chart 2 attempts to show the increases in the total cost of a student's education. This figure is the estimated minimum cost of a resident, dependent student living on campus at Kansas State. These figures were prepared by the KSU financial aid office to calculate financial need. As you can see, this figure has risen sharply. We have also provided the level of the maximum Guaranteed Student Loans available to student in a year, which has remained unchanged and now accounts for barely half of total costs. (Incidentally, although a student may borrow up to that level, he or she actually receives less. A 5% "origination fee" is taken off the top and returned to the program, and KSU has recently adopted a \$10 application fee for borrowers under the program.) We also show the maximum Pell, or Basic, Grant. The bottom line shows the actual maximum grant made at KSU. The line above it shows the national maximum. The dotted line shows the combined maximum available to students under the two largest federal student aid programs at KSU. As you can see, they have not kept pace with educational costs. (Source: KSU Financial Aid Office.)

Chart 3 shows total federal appropriations for federal campus-based programs at the state universities. (These are the National Direct Student Loans program, the College Work-Study Program, and the Supplemental Educational Opportunity Grant Program.) As you can see, appropriations have dropped dramatically; in particular, note the funding of the federal work-study program. (Source: Board of Regents Student Assistance Section, 1981-82 Annual Report.)

Chart 4 shows the decline in the State Scholarship program, reflecting declining federal appropriation under the State Student Incentive Grant program, and cuts in state support.

Finally, Chart 5 shows increases in student salary appropriations. Here again, after growth in the first part of this period, spending has leveled off because of the allotment cuts and Gov. Carlin's proposed recissions. (Source: Board of Regents' office.)

With rising costs of education and declining financial aid, students and their families face these choices: find more work off-campus, go deeper into debt, or dig deeper into their own pockets. None of these options are very viable to hard-pressed Kansas families already suffering from high unemployment and a depressed economy.

The need is clear: increased financial aid should be provided. We believe the most appropriate program would be to provide jobs; HB 2387 is such a program.

The Program

HB 2387 would provide a statutory basis for the \$700,000 work-study program recommended by the Governor. It would have these major elements.

First, it would be administered by the Board of Regents, but would provide assistance to students at public universities, private colleges and community colleges, as is the State Scholarship Program.

Second, it provides funds for student jobs in three categories: on-campus, public and non-profit agencies, and private employers.

Third, these employers could receive matching funds to pay wages for jobs in a student's area of study. Students would receive at least minimum wage. The employer would receive matching funds for wages paid up to the student's college-expense financial need.

Fourth, state dollars would be stretched by the matching requirement. At private and community colleges, and at public and non-profit agencies, the program would pay 80% of the hourly minimum wage. At private employers, the program

would pay 50% of the minimum. At the state universities, the program would pay 100% because any institutional match would be made with state dollars anyway.

Fifth, the program will contribute its portion of wages paid only up to 20 hours per week during the school year, 40 hours per week during vacation periods, and, as I mentioned above, only up to the student's financial need.

Sixth, the distribution of an institution's allotment and the placement of participating students would be handled by the school's financial aid office.

Hopefully this provides an adequate explanation of the mechanics of the program. Let us look at some of the benefits it would provide.

Benefits

1. The Program would increase student employment at a time when this is very important.

It should not be necessary to repeat the details of the decline in financial aid resources relative to a student's educational costs. We believe such a work-study program is a fitting state initiative. Attached to this statement is an article from the Chronicle of Higher Education, which notes that most states are planning to increase spending for student aid. Kansas is one of the few states which is not. Note also that several states have launched work-study programs, while many others are considering such a move.

2. The Program would provide a less expensive labor source for the institutions.

As with regular student salaries, money spent on this program would not be given away, but paid to students who have earned it through jobs that would need to be done anyway. This may be especially true at the state universities if budget cuts force reductions in classified staff. Students could pick up some of this work at a lower cost to the state.

3. The Program would provide a less expensive labor source for public and non-profit agencies.

At a time of pinched budgets in many public agencies, and as federal spending cuts and a poor economy hinder non-profit groups, this program could provide needed, semi-skilled student workers at a much lower cost. Agencies that could benefit include libraries, museums, research and charitable groups, and many others.

4. The Program would provide a less expensive labor source for private employers.

It is our hope that a lower labor cost for student wages would encourage more employment. The state's match would insure that the student receives at least the minimum wage.

5. The Program would provide "on-the-job training" for students in their area of study.

An important benefit of the program in addition to increased student aid, is the practical experience students would receive. Such experience could include business and accounting, computers and communications, plant and animal sciences, advertizing, social work, engineering, and many other areas--as many as their are professions.

6. The Program would allow employers to promote study in their fields.

By participating in the program, employers would be increasing the financial aid, and hence the incentive to study, for a particular area. This would allow businesses to encourage the development of an appropriately skilled labor force.

7. The Program would ease unemployment generally.

Although the benefits of this program are obviously targetted to student workers, the program would create new jobs and lessen the competition for other part-time and even full-time positions throughout the economy.

Conclusion

We would suggest only one change as the bill is printed. In Section 2, subsection (b), student eligibility is limited to those eligible for the federal work-study program. This may be unnecessarily restrictive. Because positions are required to be awarded on the basis of need by Section 4, subsection (a), we suggest that the committee may wish to amend Section 2 (b) to read " 'Eligible student' means a student enrolled and in good standing at a postsecondary educational institution as defined in subsection (e)."

In summary, we believe HB 2387 is an highly cost-effective method of achieving a number of benefits. It helps the young person working his or her way through school. It helps the older student, seeking re-training or additional education to adjust to a changing economy. It helps the family struggling to give their children a college education. It helps colleges, public and non-profit agencies. It helps private employers. It improves the quality of the state labor force, and eases unemployment.

We strongly urge you to approve this bill.

Thank you. I will be happy to answer any questions.

CHART 1

Tuition at State Universities

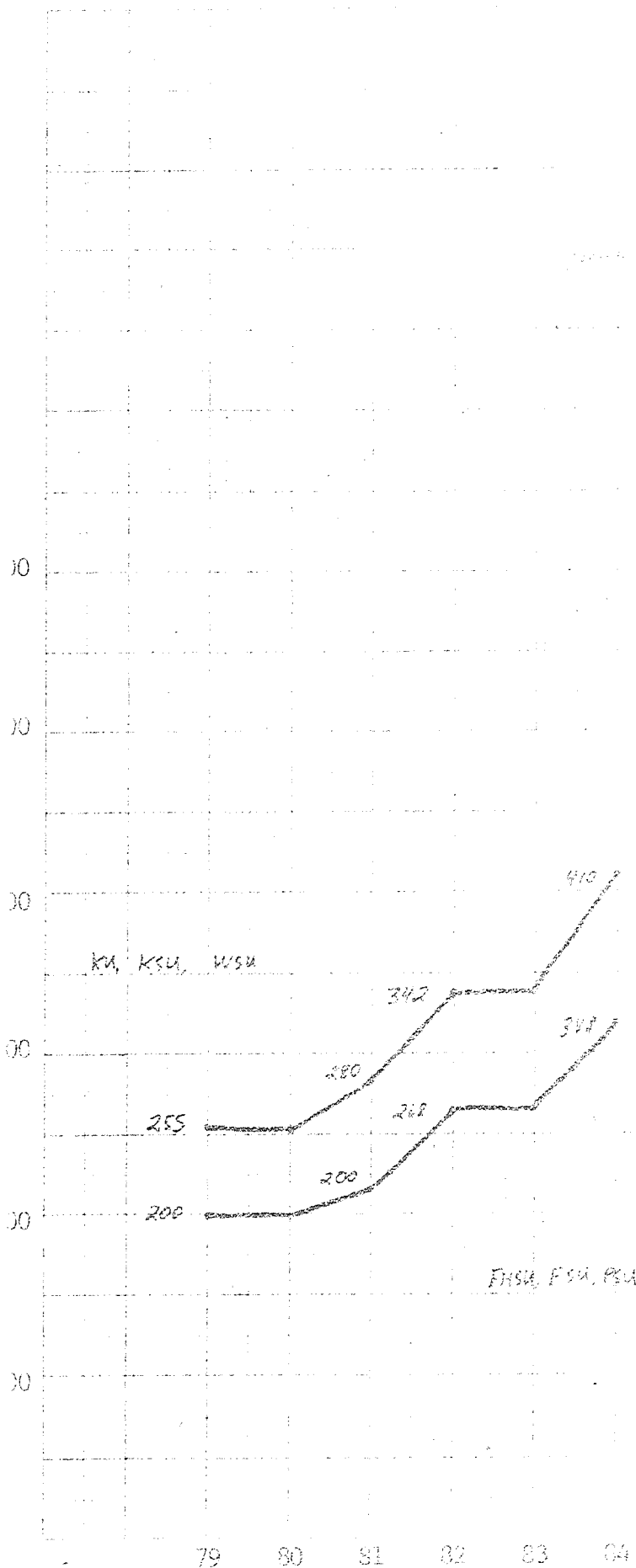


CHART 2

Total Educational Costs, Federal Loans and Grants

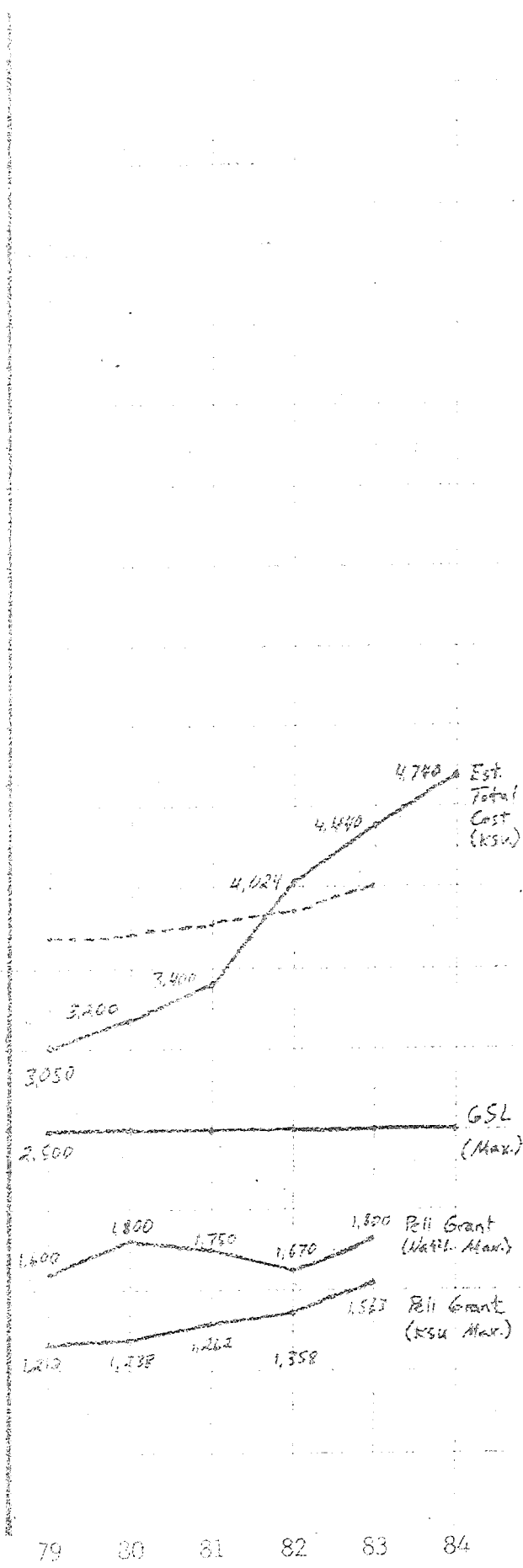


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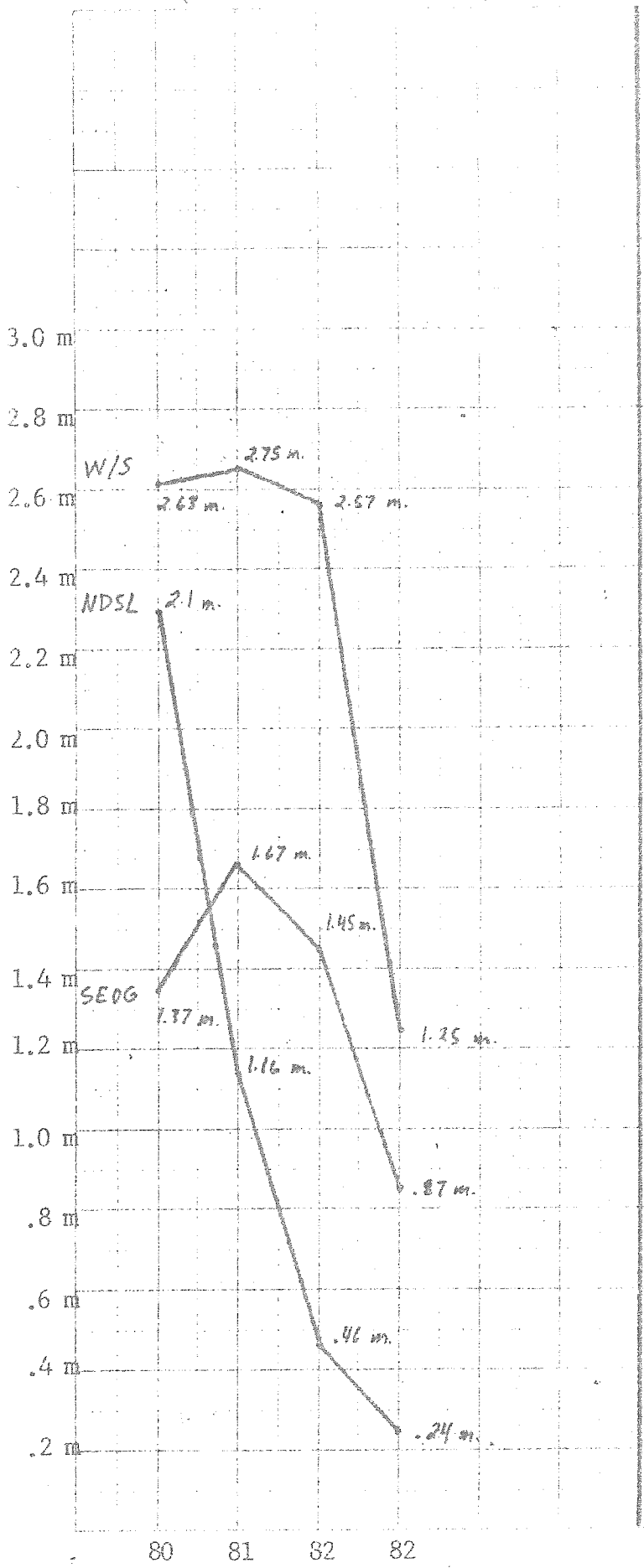


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State Scholarship Program
(Total Awards)

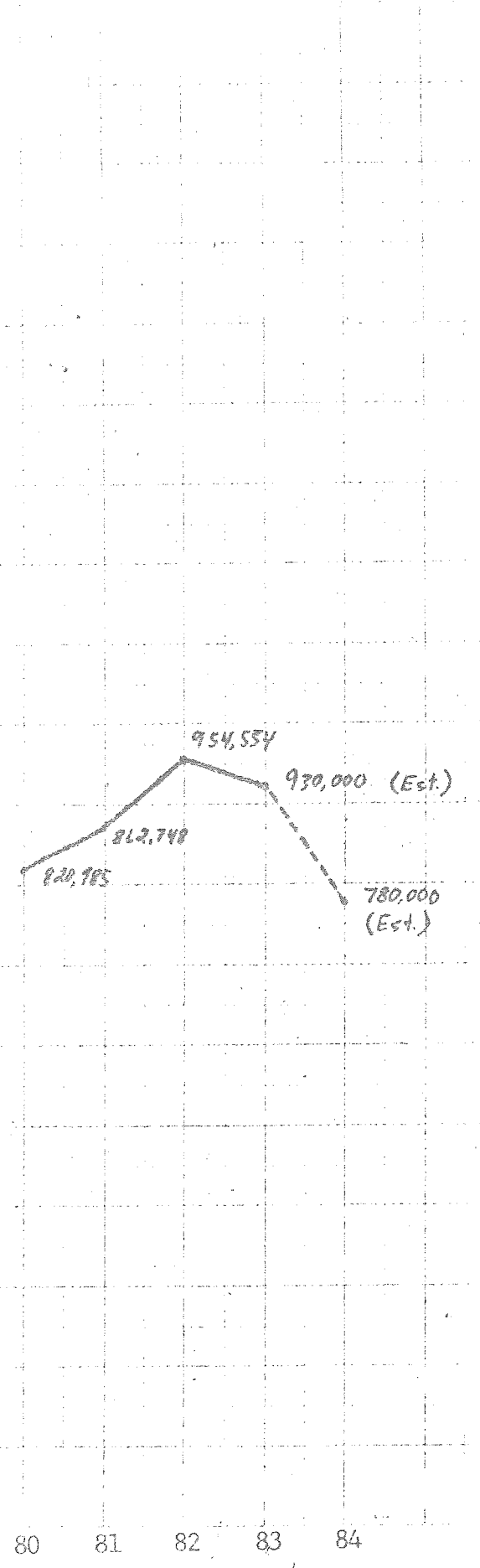
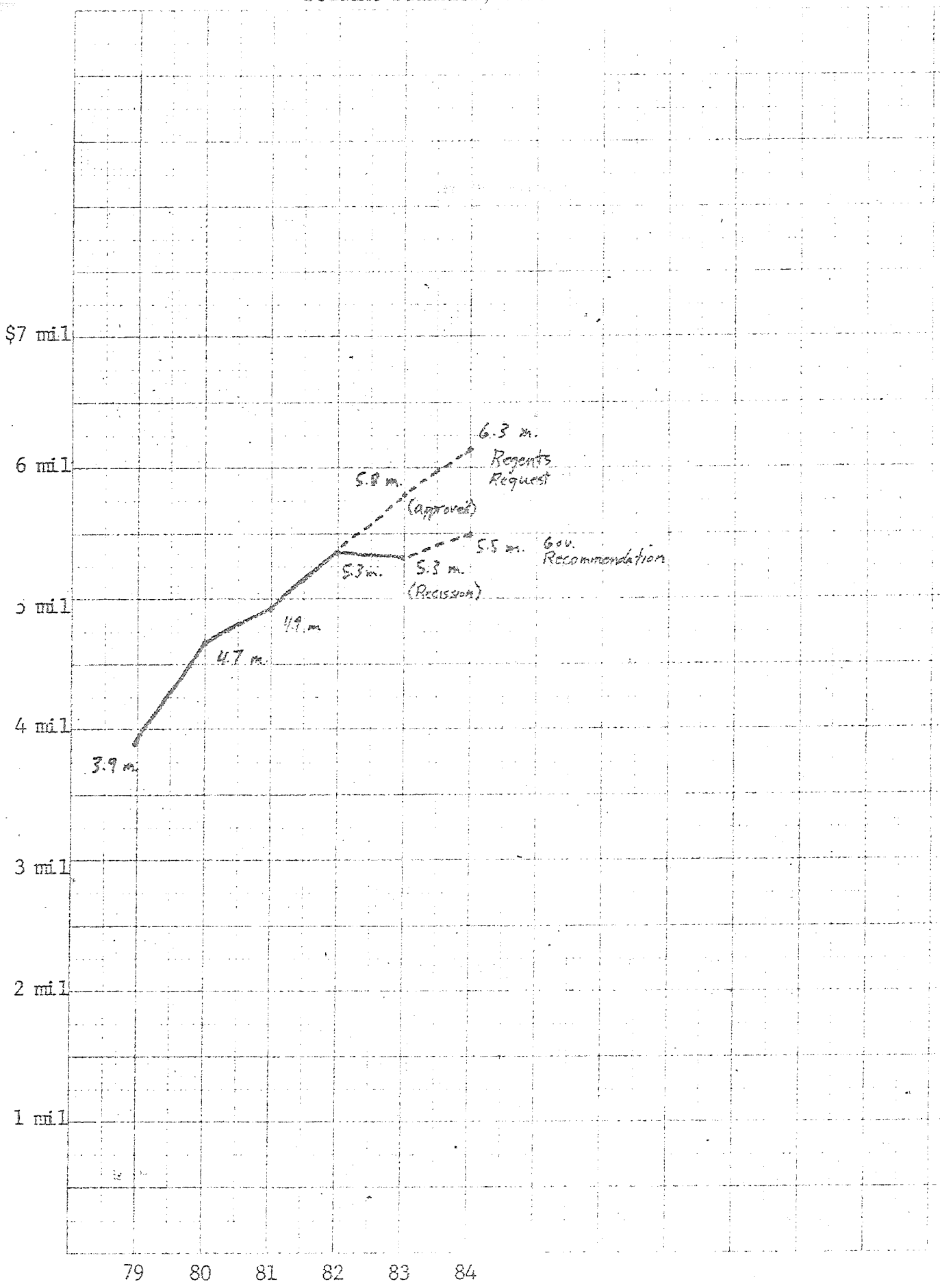


CHART 5
Student Salaries, State Universities

CLASS. SER. 11-20 EXP. 10-3-80 (MAY 1981) U.S.A.

THE MEXICO COMMISSION, MEXICO, AND AHEAD



Student Aid from States Expected to Jump 10 Pct. This Year

By JANET HOOK

State spending for grants to needy college students is expected to increase by almost 10 per cent this year—the largest increase since 1978-79—according to a survey by the National Association of State Scholarship and Grant Programs.

The survey also found that a growing number of states have responded in the past year to expected reductions in federal student assistance by proposing or setting up new loan, work-study, and grant programs.

Based on its annual survey of state scholarship programs, the association estimates that state expenditures for grants to undergraduates will increase 9.9 per cent—from \$890.6-million last year to \$978.5-million in 1982-83.

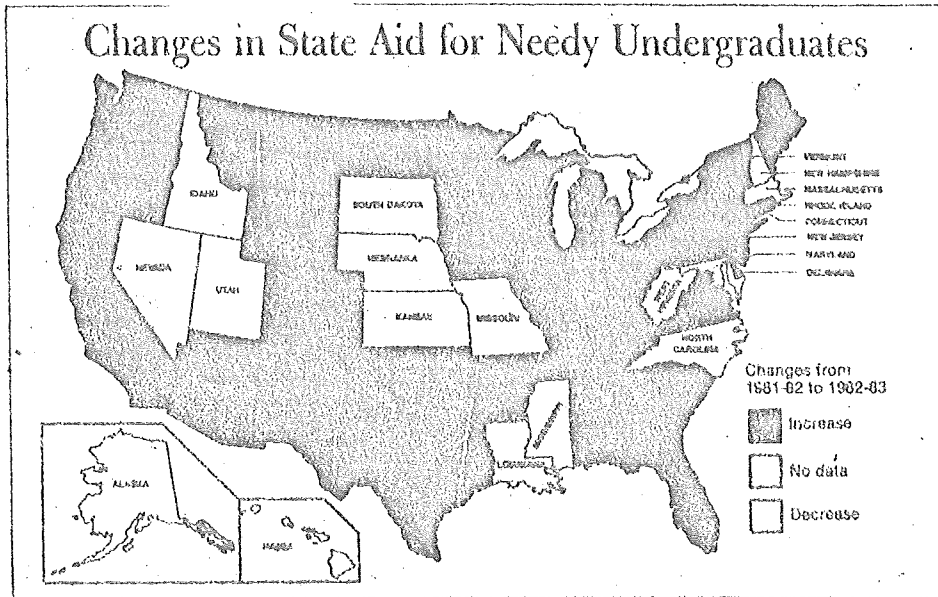
One author of the report on the survey noted that, because the survey is based on preliminary estimates, actual spending this year may fall short of the projected total.

The increase in state spending this year is expected to be coupled with a 3.8-percent increase in the number of undergraduates receiving grants—from 1.21 million last year to 1.256 million in 1982-83.

While state student aid is expected to increase nationwide, 12 states said spending for their scholarship programs would be reduced this year. Thirty-four states expect increases, and information was not available for four states.

Much of the growth is concentrated in states with large programs, said the report on the survey by Kenneth R. Reeher, executive director of the Pennsylvania Higher Education Assistance Agency, and Jervis, director of research and policy at the Pennsylvania agency.

All states with the largest programs



pected increase in state spending, the report said.

Pennsylvania, which runs one of the largest programs, has increased appropriations for student grants by \$7-million to \$80-million this year—the largest annual increase since 1968. Coupled with a slight decline in applications for grants, the increased budget has allowed Pennsylvania to provide more aid to middle-income students and to increase the average state grant by about \$100.

But in many states with smaller programs—those that award less than \$5-million a year—little or no growth is expected. State support for those programs has been slowing over the past two years, Mr. Davis said, noting that only about one-third of the 31 states with small grant programs have increased spending since 1980-81. That lack of growth, he said, suggests that

able to make up for major losses of federal aid to their students.

Many of the smaller programs are heavily dependent on federal funds provided through the State Student Incentive Grant program, in which money is awarded to states if they at least match the federal contribution. Asked about the potential effects of a Reagan Administration proposal to eliminate the incentive grants, four states responding to the survey said their programs would not survive and 24 said they would probably have to reduce the size or number of grants.

Mr. Davis also said there had been “significantly more activity” than last year among states in response to cutbacks in federal student aid. Florida and New Mexico have established their own work-study programs to supplement the federal program, which has been trimmed by 4 per

programs are being considered by nine other states: Delaware, Indiana, Kentucky, New Jersey, North Dakota, Oregon, Tennessee, Vermont, and Virginia.

In other actions:

► Legislation allowing the sale of state revenue bonds to raise capital for low-interest student loans has been approved in Iowa, Maryland, and Rhode Island within the last year. Several other states are considering similar laws.

► Colorado, in an effort to stimulate private support for student aid, has set up a \$250,000 pilot program to match private contributions with state funds.

► Arkansas and Tennessee are considering new scholarship programs that would provide aid on the basis of academic merit rather than financial need.

► Alabama is considering establishing a new agency that would provide additional funds for student loans by buying loans from banks. Several other states have already set up such agencies—known as secondary markets—modeled on the federal Student Loan Marketing Association, which purchases loans nationwide.

While most of the state programs surveyed provide aid to undergraduates on the basis of financial need, the survey also found that \$17.8-million was expected to be awarded to needy graduate and professional students—up 4.4 per cent from last year. Of the 21 states reporting that they had such programs for graduate students, only four—California, Michigan, New York, and Texas—said they expected to spend more than \$1-million.

The survey also found that about \$101-million was expected to be spent on undergraduate grants that are not awarded on the basis on financial need—spending that

HOUSE BILL No. 2387

By Representative V. Miller

2-9

0017 AN ACT concerning a program for employment and training for
0018 students at certain postsecondary educational institutions;
0019 prescribing powers, duties and functions for the state board of
0020 regents.

0021 *Be it enacted by the Legislature of the State of Kansas:*

0022 Section 1. This act shall be known and may be cited as the
0023 Kansas student employment and training program act.

0024 Sec. 2. As used in this act, unless the context clearly requires
0025 otherwise:

0026 (a) "Board" means the state board of regents.

0027 (b) "Eligible student" means a student enrolled and in good
0028 standing at a postsecondary educational institution who is eligi-
0029 ble to receive federal work-study funds.

0030 (c) "Program" means the student employment and training
0031 program administered by the board.

0032 (d) "Position" means an internship or other employment po-
0033 sition of a part-time or temporary nature which compensates the
0034 eligible student at not less than the current federal minimum
0035 wage.

0036 (e) "Postsecondary educational institution" means (1) any
0037 state educational institution under the control and supervision of
0038 the board, (2) any community college established under the laws
0039 of this state, (3) the municipal university established under the
0040 provisions of article 13a of chapter 13 of Kansas Statutes Anno-
0041 tated, and (4) any accredited independent institution as defined
0042 in K.S.A. 72-6107 and amendments thereto.

0043 Sec. 3. (a) Subject to available appropriations, the board shall
0044 develop and implement a student employment and training pro-
0045 gram and shall adopt rules and regulations for the administration

0046 thereof in accordance with this act.

0047 (b) The board shall allocate funds on an enrollment basis to
0048 participating postsecondary educational institutions to finance
0049 reimbursement of compensation paid to eligible students thereof
0050 who are in positions under the program with such postsecondary
0051 educational institutions or with public agencies, not-for-profit
0052 agencies or private employers which are participating in the
0053 program through such postsecondary educational institution.
0054 Each participating postsecondary educational institution, public
0055 agency, not-for-profit agency or private employer shall provide
0056 positions for award to eligible students.

0057 Sec. 4. (a) In accordance with guidelines and procedures
0058 approved by the board, the financial aids office of each partici-
0059 pating postsecondary educational institution receiving an alloca-
0060 tion from the board shall award positions to eligible students on
0061 the basis of greatest need in accordance with applicable criteria
0062 for awarding campus employment and within the allocations of
0063 funds made by the board. Each position awarded shall be related
0064 to the area of study of the eligible student selected therefor.

0065 (b) In accordance with procedures prescribed by the board,
0066 any funds allocated under the program for a postsecondary edu-
0067 cational institution which are not committed to awarded posi-
0068 tions shall be reallocated in a manner determined by the board.

0069 Sec. 5. (a) Subject to the provisions of subsection (b), the
0070 board shall provide under the program for reimbursement to
0071 participating postsecondary educational institutions, public
0072 agencies, not-for-profit agencies and private employers for com-
0073 pensation paid to eligible students in the following categories of
0074 positions as follows:

0075 (1) For positions with postsecondary educational institutions
0076 which are under the control and supervision of the board, reim-
0077 bursement at the rate of 100% of the current federal minimum
0078 wage;

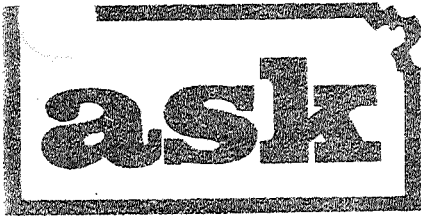
0079 (2) for positions with postsecondary educational institutions
0080 which are not under the control and supervision of the board,
0081 reimbursement at the rate of 80% of the current federal minimum
0082 wage;

0083 (3) for positions with public agencies or not-for-profit agen-
0084 cies, reimbursement at the rate of 80% of the current federal
0085 minimum wage; and

0086 (4) for positions with private employers, reimbursement at the
0087 rate of 50% of the current federal minimum wage.

0088 (b) Reimbursement under the program for compensation paid
0089 to an eligible student in a position shall not be for more than 20
0090 hours of work a week during any regular school term or 40 hours a
0091 week during any vacation period or summer. No further reim-
0092 bursement for compensation paid to an eligible student in a
0093 position shall be made under the program during any fiscal year
0094 after the total amount of compensation received by the eligible
0095 student for such position during such fiscal year equals or ex-
0096 ceeds the amount equal to the total educational cost of such
0097 eligible student for such fiscal year as determined by the finan-
0098 cial aid office of the postsecondary institution in accordance with
0099 procedures prescribed or approved by the board.

0100 Sec. 6. This act shall take effect and be in force from and after
0101 its publication in the statute book.



ASSOCIATED STUDENTS OF KANSAS

1700 College
Topeka, Kansas 66621
(913) 354-1394

Statement to the Senate Ways and Means Committee on H.B. 2148, March 24, 1983, by Mark Tallman, Executive Director of the Associated Students of Kansas, representing 85,000 students at the state universities and Washburn.

Thank you, Mr. Chairman. I appreciate the opportunity to speak to you on behalf of the Associated Students of Kansas. These positions have been developed in conjunction with the Student Advisory Committee to the Regents and the Student Senates of the state universities.

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Although Legislative Research has reported that tuition would have generated only 21% of the "cost of education" in the Regents' 1984 request, we feel this is somewhat misleading. Last year, the Regents' modified the fee/cost ratio in approving a 20% tuition hike for FY 84. They voted to exclude utilities from the cost side. Utilities are, of course, one cost that has changed significantly since 1966. The legislature recognized this by removing utility costs from Other Operating Expenses, a move the Regents used to justify removing utilities from the "cost of education." Also, the Regents included special academic fees paid in addition to tuition, which certainly should be included on the "fee" side.

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The Student Advisory Committee and ASK have voted to accept the 25% fee/cost ratio as defined by the Regents, fully aware that it will mean tuition increases; a position probably unique among student associations in the nation today. But in doing so, we believe also that the state must take steps to assure tuition education will not price deserving students out of the educational marketplace. In accepting the 20% tuition increase that takes effect this fall, we have continually maintained that a portion of this income must be returned to students in the form of financial aid, specifically the

work-study program.

Included in the packets we have given you are copies of ASK's original proposals for a work-study program, of testimony delivered to the 1202 Commission and House Ways and Means Committee, H.B. 2387 by Rep. Vic Miller, embodying our proposals, and a copy of a letter from Governor Carlin endorsing this bill.

After the body of this statement, you will find charts showing the increases in educational expenses for students, and the relative decline in financial assistance. Chart 2 shows, as an example, that the average annual cost of attending Kansas State have increased by nearly \$1,700 since 1979, while the maximum Guaranteed Student Loan has not been increased at all (although interest rates have), and the maximum Pell Grants awarded at KSU increased only \$350 in this period. Chart 3 shows the dramatic decline in federal appropriations for campus-based programs, including the federal work-study program, which has been chopped in half. Finally, Chart 5 shows that while student salaries had been expected to rise fairly steadily, the allotment cuts have actually resulted in little or no growth. In fact, system-wide, student jobs were cut by 8%, well over the 4.3% reductions required from the universities as a whole.

The work-study program would help restore some equity to this situation. Without going into detail, these program elements as approved by the House should be noted:

1. It would be administered through the Regents' office, but would include students at private schools, community colleges and Washburn.

2. It would provide on-campus jobs to students with the state

paying 100% of the minimum wage at the state universities, providing the institution with a less expensive labor force. Private schools, community colleges, and public or non-profit agencies would be reimbursed for 80% of the minimum wage.

3. It would allow private employers to hire students with the state paying 50% of the minimum wage, matched at least dollar-for-dollar by the employer, stretching state appropriations much further.

4. The jobs would have to be part-time, temporary positions in the students' area of study, providing them on-the-job experience-- a true "work-study" program.

These two critical issues--tuition and the work-study program--are the focus of our concern in H.B. 2148. One final area of concern is in the level of O.O.E. and the special Regents' request for library acquisitions, computers and instructional equipment. Across the state, universities have adopted or are considering special student fees to fund these areas. It is a measure of our concern that at KU, for example, the students themselves may vote to adopt some type of special fee to keep academic programs from deteriorating further. The concern is genuine; the need is real. We hope you will consider special appropriations in these areas.

Thank you for your time and consideration. I would be happy to answer any questions.

CHART 1

Tuition at State Universities

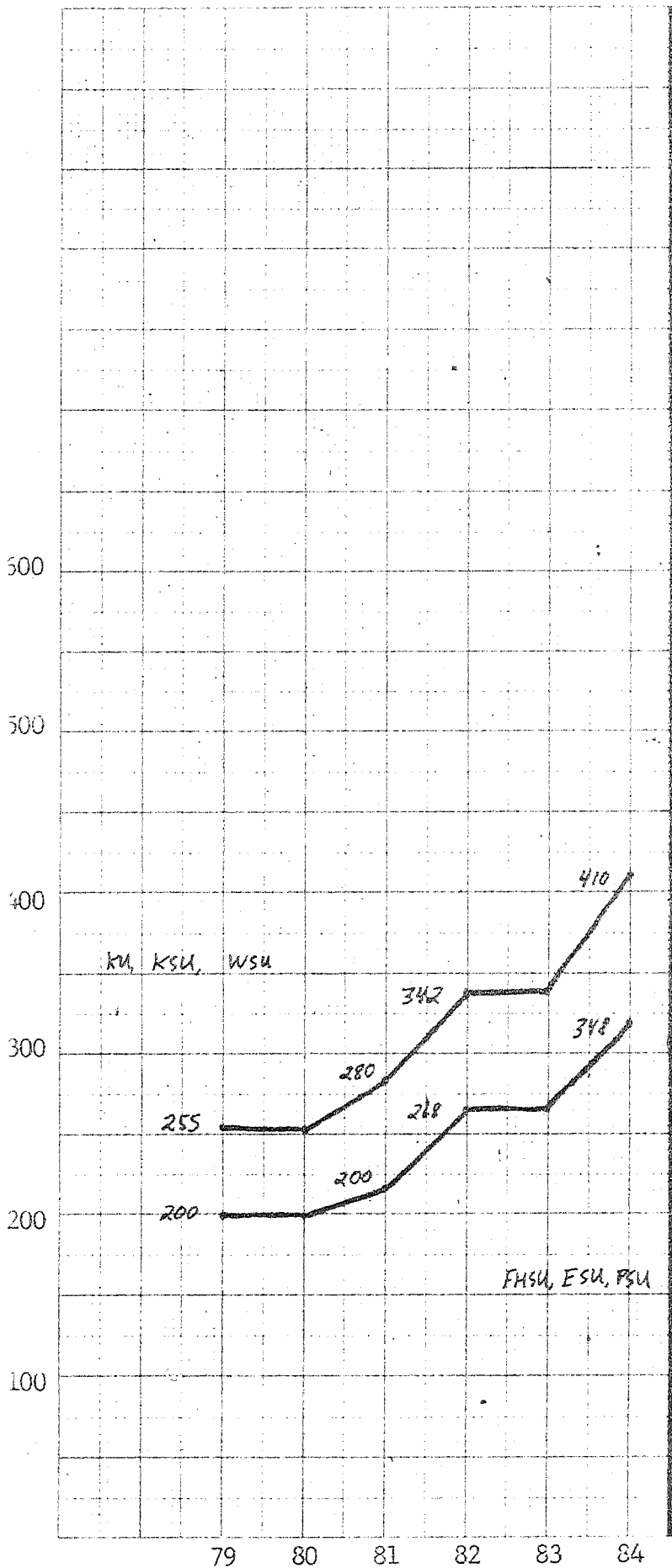


CHART 2

Total Educational Costs, Maximum Loans and Grants

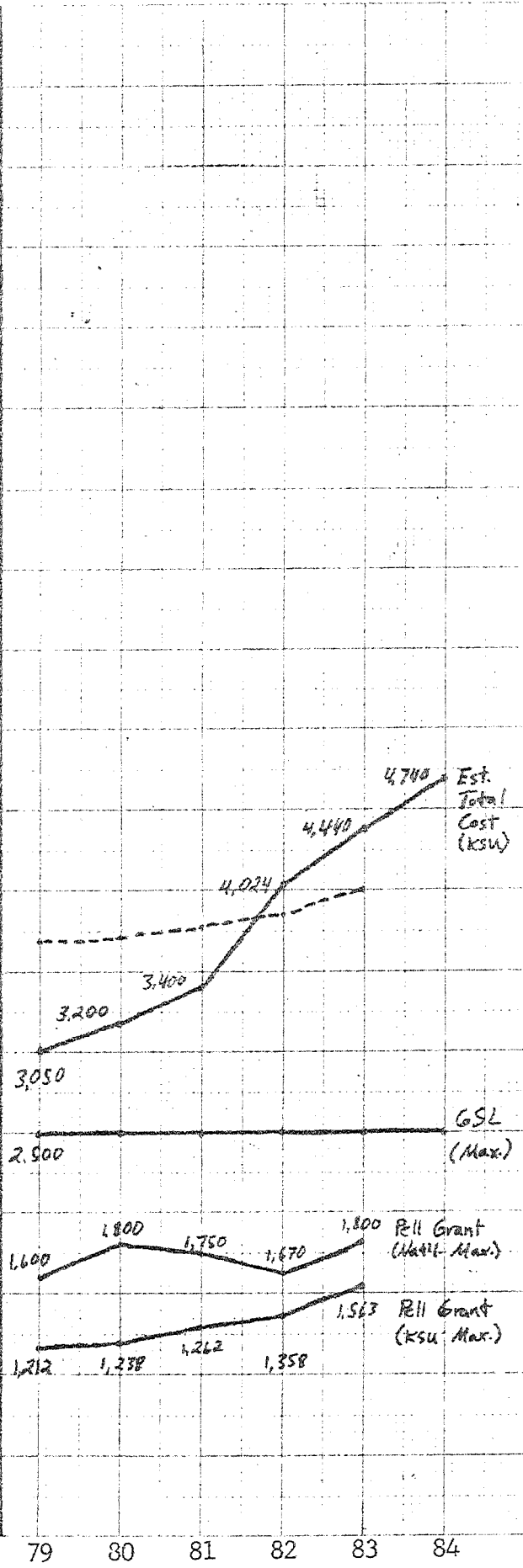


CHART 3
Federal Appropriations, Campus-based
(State Universities only)

CHART 4
State Scholarship Program
(Total Awards)

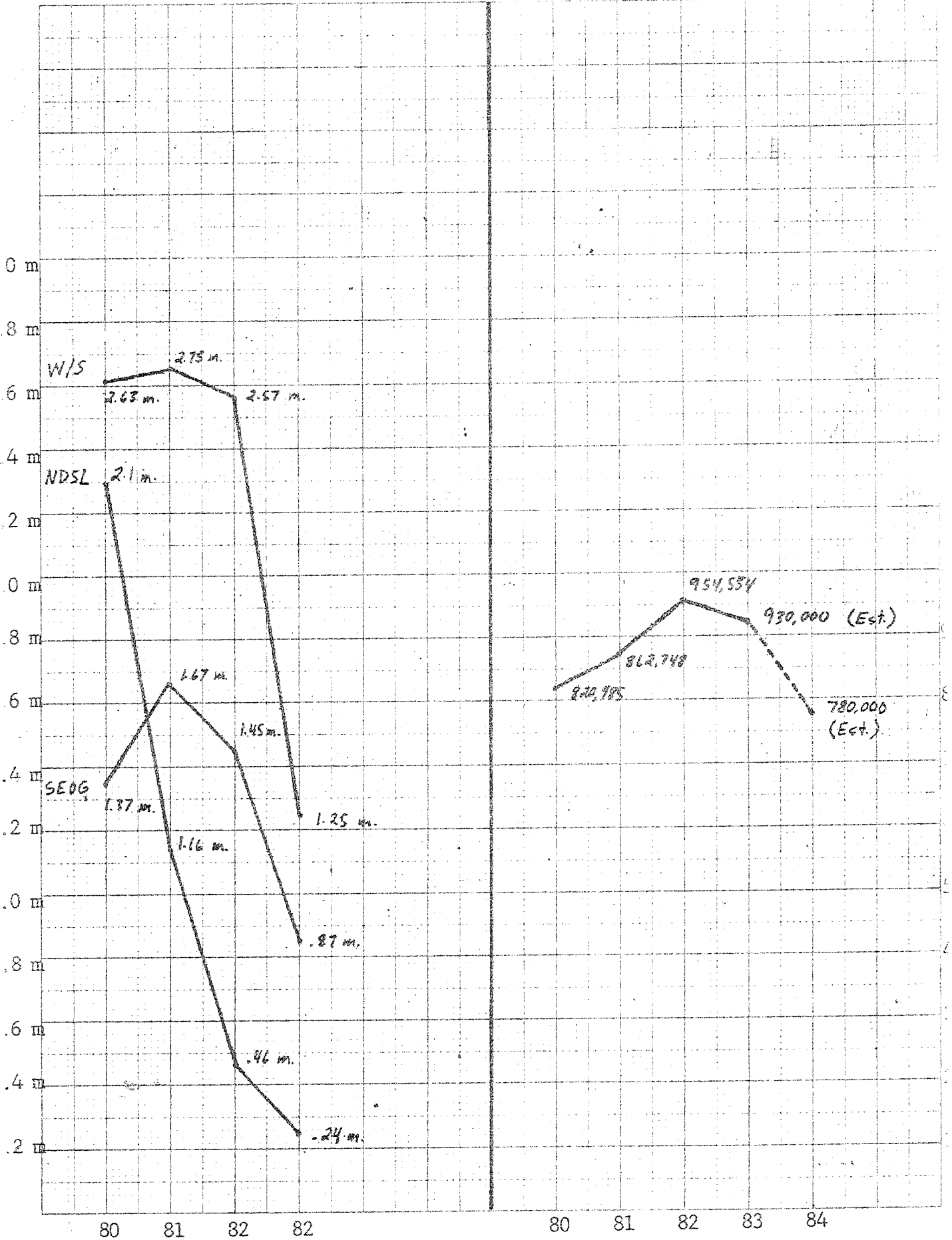
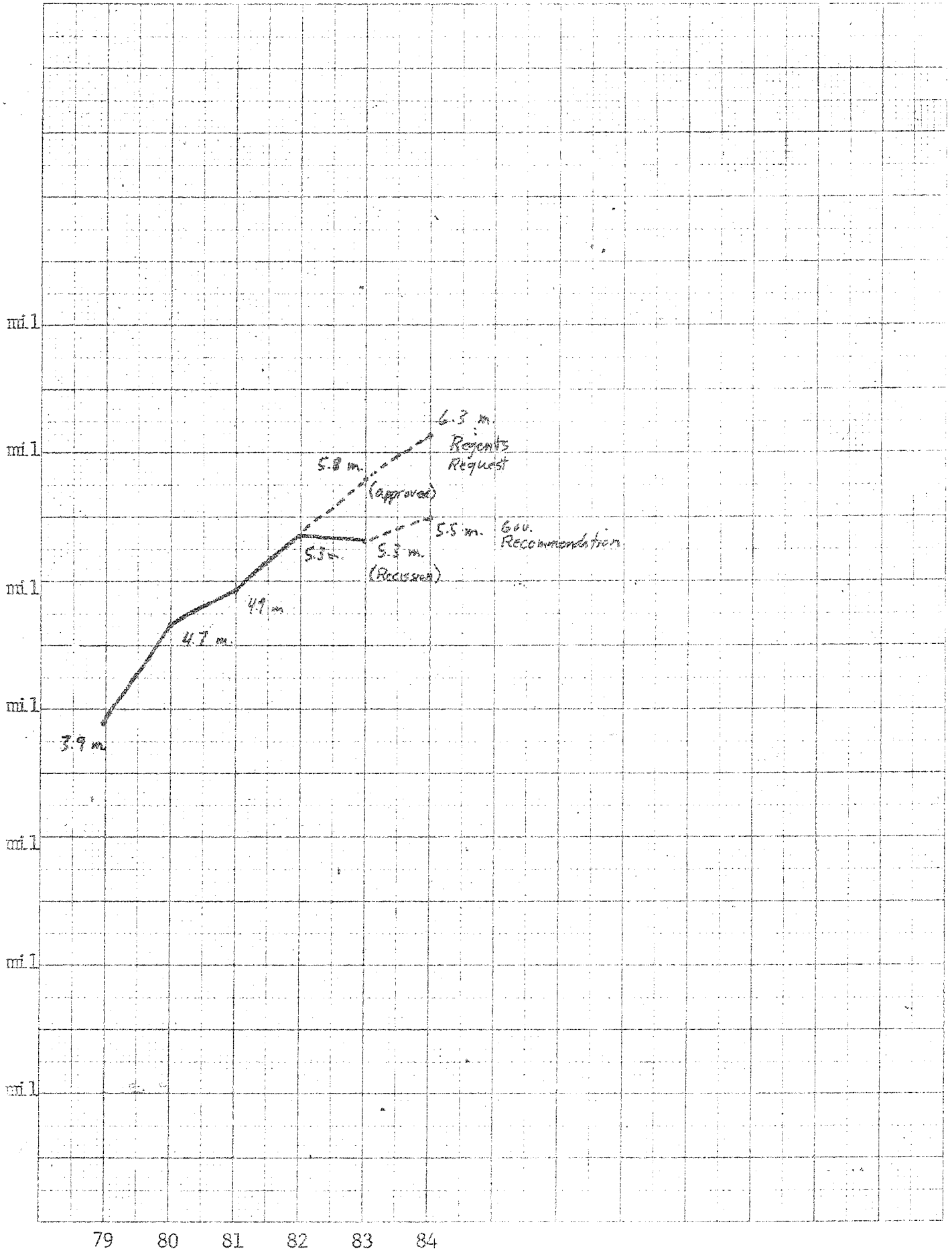


CHART 5
 Student Salaries, State Universities



STATE OF KANSAS



OFFICE OF THE GOVERNOR

State Capitol
Topeka 66612

February 21, 1983

John Carlin Governor

The Honorable Bill Buntin, Chairman
House Ways and Means Committee
Statehouse - 514 South
Topeka, Kansas 66612

Dear Chairman Buntin:

Please allow me to express my support and appreciation for House Bill No. 2387, the post-secondary work study bill.

The bill seems an effective vehicle for administration of the \$700,000 I have budgeted for student work study programs.

Several things about the bill are attractive to me:

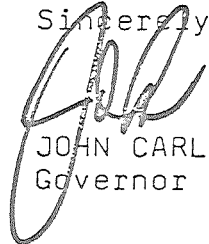
1. The central administration of the fund is in the hands of the Board of Regents;
2. The bill embraces community colleges and accredited independent institutions, as well as the Regents schools and Washburn University;
3. The scope of potential employees is broad, assuring access to a wide range of training for student participants;
4. There are limitations on the amount of time spent by students in the working phase of the program.

I strongly urge the Committee to act favorably on this bill. The student age group has suffered by far the greatest increase in unemployment, while at the same time facing increased tuition costs and diminishing scholarships and student aid assistance. A work study program such as that outlined in HB 2387 would not only make it possible for many students to continue their academic pursuits, but would also enhance their access to training as it relates to their individual fields of study.

The Honorable Bill Buntin
February 21, 1983
Page Two

If my staff or I can be of assistance as this bill moves through the legislative process, please let me know.

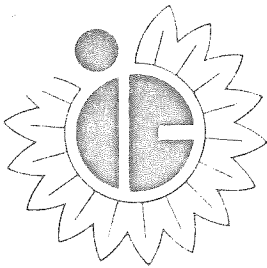
Sincerely,



JOHN CARLIN
Governor

JC:kmg

cc: House Ways and Means Committee Members



KANSAS INDEPENDENT COLLEGE ASSOCIATION

Capitol Federal Building, Room 515, Topeka, Kansas 66603

Telephone (913) 235-9877

ROBERT N. KELLY, *Executive Director*

February 22, 1983

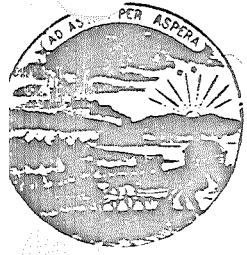
TESTIMONY BEFORE HOUSE WAYS AND MEANS COMMITTEE

On behalf of Washburn University, the Kansas Association of Community Colleges, and the Kansas Independent College Association, I would like to express our support for House Bill No. 2387.

Work is a very attractive means by which to support students. The money clearly goes to its rightful recipients--those who earned it. Students who work while attending college tend to achieve higher grades and higher levels of retention than those who do not. At most Kansas colleges there always seem to be numerous students who want to work and numerous tasks to be performed. Money is the only obstacle as colleges are very willing to assume the responsibility for administering the program for their students both on and off the campus.

In addition to the value of work programs in general, HB 2387 has much to recommend it specifically. First, the administration is left to the campus financial aid officer, who has experience in administering the federal work-study program. Second, all accredited Kansas colleges are included, which means that the benefits of the program are spread throughout the state. Third, the concept of distributing the available funds on the basis of enrollment is convenient and equitable; although it may be desirable to use full-time equivalent or full-time Kansas resident enrollment rather than merely head count enrollment. Fourth, and most important, extending the program to private employers who offer positions that relate to the field of study of the eligible student is an excellent idea because it would assist economic development by improving the work skills of Kansas college graduates.

In conclusion, we support HB 2387 as a sound means to aid students and as an incentive for increasing employment opportunities and productivity among Kansas college graduates.



Student Advisory Committee Kansas Board of Regents

KANSAS STUDENT EMPLOYMENT PROGRAM

A STATE SUPPORTED WORK-STUDY PROGRAM

*as proposed by the
STUDENT ADVISORY COMMITTEE
to the
KANSAS BOARD OF REGENTS*

SUMMER 1982

ember
stitutions

mporia State University
ort Hays State University
ansas State University
ansas University
ansas Technical Institute
ttsburg State University
ichita State University

PROPOSAL: To establish a Student Employment Program in Kansas Postsecondary institutions.

PURPOSE: To provide financial assistance to needy students attending eligible postsecondary institutions in the State of Kansas by stimulating and promoting their part-time employment; and to provide such needy students with employment related to their educational pursuits or career goals.

NEED: Financial aid for students attending colleges and universities increased significantly during the 1960's and 1970's, peaking with the passage of the Middle Income Student Assistance Act of 1978. Unfortunately, the national goal of assisting the middle income with a combination of grants, student loans and employment opportunities is being thwarted by an everworsening national economy.

Recent efforts to balance our national budget have included reductions in student aid, with even more dramatic future reductions requested by the Reagan administration for the current fiscal year. Hardest hit by these reductions will be students from middle income families who have a moderate financial need. All that may remain for these students is the student loan program, while educational cost will be increasing at the fastest rate ever. Kansas' current level of financial assistance alone will not be enough for some students, given today's cost of education. There is, however, at least one program capable of serving several purposes--a state supported Student Employment Program.

While the main purpose of financial aid is to provide funds to meet educational costs of students who would not otherwise be able to attend college, in a student employment program there is also the element of work experience, especially if the experience is in the student's field of study or career plans. A work-study program which includes private business and industry as eligible employers will provide incentives for part-time employment for students, help stimulate Kansas' economy with an inexpensive work force and promote education/business relationships.

There is an obvious and increasing need for a state sponsored program of student employment. Such a program will likely benefit most those students with moderate financial need who have the academic ability to both work on a part-time basis and enroll as full-time students. Beyond providing needed financial assistance and valuable job experience to students, the Kansas Student Employment Program, as conceived in this proposal, will provide a reservoir of low-cost part-time labor for private industry and business as well as

public agencies and organizations. Many have supported the notion that students should "work their way through college" and, although as a general rule that is not possible in today's economy, this proposal does move in that direction.

HOW ACCOMPLISHED:

Although Congress has just passed the federal budget and the cuts to higher education originally proposed by the President were not approved in full it is clear that federal programs will not be increased under the present administration.

In response to the need described above, the Kansas Student Employment program is proposed: this program will offer educational program-related or career related work experience to Kansas students who are not currently being funded to meet their "need" (cost of education less expected family contribution) or who have no alternative for funding other than the Guaranteed Student Loan Program.

This program will be limited to Kansas residents enrolled on a full-time basis with participation in the state program restricted to a maximum of 12 terms, in any combination of graduate or undergraduate study.

This proposal includes private for-profit business and industrial organizations as employers, as well as non-profit private and public organizations and postsecondary institutions. By bringing private industry into the program, the scope of potential employment opportunities is enlarged and opportunity for placement in career related employment is greatly enhanced.

ALTERNATIVES:

There are currently six state programs currently in operation in the following states: Washington, Kentucky, Colorado, Pennsylvania, Connecticut, and Minnesota. Massachusetts is in the planning phase. Each state has designed its program to meet its unique needs. Colorado reserves 25% of its funds for students with no financial need but with need for work experience. Other states determine student eligibility on the basis of financial need but, other factors being equal, direct the state funds to students with moderate need who many qualify only for loans.

Alternative methods of financing the program are 1) to allocate funds to each participating institution, allowing them full control over the expenditure of funds by simply adding it to their federal allocation of

College Work-Study monies; and 2) setting the program up with clear identity as a state-sponsored and state administered program.

Under the first alternative, pooling the state funds with other work-study funds, institutions would be required to adhere to the restrictions set by federal regulations. One such restriction would be exclusion of the private sector as employers. It would also open the program to students enrolled at least half-time and would allow the use of funds for full-time employment during periods of non-enrollment.

The second alternative enables the state to accomplish particular program goals, to serve selected populations of students and to design a program which compliments the federal program. The proposal endorses this second alternative, placing responsibility for administration with the state with the intention that the state program will compliment rather than supplement existing programs.

POSITIVE/NEGATIVE IMPACT:

Students who are currently not funded or are funded at less than full need will have a means of financing their college education.

Students who are now forced to borrow heavily to finance their education will be able to earn part of their expenses and, upon graduation, will not be so heavily in debt.

Upon earning a degree or certificate in a specific field of study, students will also have related work experience and a work reference which will enable them to more easily obtain employment in that field.

Students will have superior training in a given field with the combination of work experience and class instruction.

Private business and industry will have an opportunity to become more involved with the educational institutions in their communities fostering better public relations and increasing the potential for future contributions to education through scholarship programs for students or endowments to institutions.

Research has indicated that students who work part time tend to do well academically, perhaps as a result of having to plan and organize their time; such students also have a greater appreciation for their education and stronger attachments to the institution.

STUDENT ELIGIBILITY:

Resident of Kansas as defined by Board of Regent policy.

Enrolled full-time according to the standards of the institution.

Students must be enrolled in an eligible program of study as defined by federal regulations for the campus based programs.

Students must be making satisfactory academic progress according to the written policy established by the institution. A student may continue employment under the Kansas Student Employment Program while on probation for one term or one semester only.

A student may participate in the Kansas Student Employment Program a maximum of 4 terms while enrolled in a two-year degree or certificate program and for a maximum of 8 terms of enrollment in pursuit of a first baccalaureate degree. Graduate, professional or post-baccalaureate students may participate to the extent that they receive no more than 8 semesters (terms) of eligibility in combination of graduate and undergraduate study.

For institutions having graduate programs of study, the percentage of Kansas Student Employment Program funds awarded to graduate students may not exceed the percentage which graduate students bear to the total enrollment (FTE) of the institution.

To be eligible for the Kansas Student Employment Program a student must show financial aid eligibility based on the standard need analysis system used for campus based federal programs.

Since students with the highest need will have other sources of financial aid available to them through grants and the federal College Work-Study program, this program will be directed toward students with financial needs not met by other programs and who would finance much of their educational expenses with loan monies. Kansas Student Employment recipients, however, must have a sufficient need for the award to be of an amount which assures the employer of continuity and minimal turnover during the award period.

An award from this program, when combined with the student's resources and other forms of financial aid, is not to exceed the cost of education at the institution where the student is enrolled.

Regardless of need, a student may not be employed concurrently on both the federal College Work-Study Program and the Kansas Student Employment Program.

If, the student is "overawarded" through any combination of federal, state, or private funds, the institution will follow the procedures outlined in federal regulations for revisions.

To be eligible, a student must be enrolled in a course of study leading to a degree or certificate. An otherwise eligible student who has not declared a major or made a firm decision regarding a career objective, may be placed in a position which holds a career interest for him/her.

No student shall be eligible if enrolled in a course of study leading to a degree or certificate in divinity, theology or religious education.

INSTITUTIONAL ELIGIBILITY:

All Kansas institutions of postsecondary education which are eligible to participate in the campus based federal financial aid programs shall be eligible to participate in the Kansas Student Employment Program, whether or not they are actually participating in the Federal programs.

EMPLOYER ELIGIBILITY:

Eligible employers shall include:

Participating educational institutions.

Non-profit organizations which are non-sectarian (e.g., local, state or federal government agencies, crisis clinics, Red Cross, hospitals, etc.)

For-profit, non-sectarian organizations (e.g., local employers producing goods or services such as law offices, banks, accounting firms, art galleries, retailers, etc.)

Ineligible: any organization or institution which has a direct association with a controlling sectarian organization (with the exception of the participating educational institutions); any employer who does not comply with appropriate federal and state civil rights laws; any employer who will not pay students employed through this program an appropriate wage for the position being filled; an elected official who

could use the student's work to enhance his or her political aspirations; a political party.

Specific approval must be granted for employment of students on this program by out-of-state employer who are doing business in the State of Kansas.

EMPLOYMENT ELIGIBILITY:

The following criteria must be considered in determining the appropriateness of employment under the Kansas Student Employment Program.

The relationship of the job to the student's educational objective or career interest;

The potential for displacement of regular employees;

The rate of pay as compared to salaries and wages provided other employees engaged in similar work;

The non-sectarian and non-political nature of the position.

ACADEMIC CREDIT:

Because the Kansas State Employment Program provides opportunities for work experience which are directly related to the student's educational pursuits and or career interests, institutions are encouraged to offer academic credit for experience gained through the student's employment, if appropriate.

MAINTENANCE OF EFFORT:

Kansas Student Employment Program funds are not to be used to replace institutional funds which would otherwise support student employment or salaries of regular employees. However, if as a result of budget reductions, positions formerly occupied by regular employees or non-work-study students have been eliminated, the institution would not be prevented from hiring a student to work in the effected department or administrative office, as long as the work meets the requirement of being career or study program-related.

A state supported student employment program will require a sizeable commitment from the state legislature and the taxpayers of Kansas yet many benefits, as mentioned above can be gained from a well administered program with substantial support.

The Kansas Student Employment Program is one tool that the state can use to continue to develop the young people of this state who are faced with the continuing escalation of educational costs and the prospects of declining federal financial aid support. It is with this in mind that the student body presidents of the Regent's institutions, members of the Student Advisory Committee, submit this proposal for the Board of Regent's consideration. It is a bold proposal that advocates a new direction for the scope of financial support of our state's students. We believe its goals are realistic and the thrust of the proposal is sound and workable.

The Student Advisory Committee recognizes that educational costs are rising and as a result those increases must be passed on to students in the form of higher tuition as evidenced by the 22% increase for the fall of 1983. While we recognize the necessity of such increases we also feel a compelling need to meet the needs of those students who can no longer afford an education but who should have access to one.

Our proposal, once enacted, would provide a state-wide student assistance program yet there is little doubt that the majority of benefits to be derived from such a program would manifest themselves in the Regent's universities. It is therefore our hope that the Board of Regents will assume a leadership role in advocating the need for continued and enthusiastic support of Kansas students and their financial status. We urge the Board to join us as we advocate new and innovative proposals to meet the needs of students in the 1980's.

We welcome the response of the Board of Regents and the Regent's staff as we formulate many of the specifics of the above proposal and present it to other students, university officials, and state and community leaders.

STUDENT ADVISORY COMMITTEE
TO THE
KANSAS BOARD OF REGENTS