

Approved May 1, 1990
Date

MINUTES OF THE SENATE COMMITTEE ON EDUCATION

The meeting was called to order by SENATOR JOSEPH C. HARDER at
Chairperson

1:30 ~~xxx~~ a.m./p.m. on Tuesday, February 20, 1990 in room 123-S of the Capitol.

All members were present except:

Senator Parrish, excused

Committee staff present:

Mr. Ben Barrett, Legislative Research Department
Ms. Avis Swartzman, Revisor of Statutes
Mr. Dale Dennis, Assistant Commissioner of Education
Mrs. Millie Randell, Committee Secretary

Conferees appearing before the committee:

SB 556 - Community colleges, out-district tuition exemption for counties in which state educational institutions are located (Francisco)

Proponents:

Senator James Francisco, sponsor of SB 556

Opponents:

Dr. W. Merle Hill, Executive Director, Kansas Association of Community Colleges

Following a call to order, the Chairman informed members that he had requested Mr. Ben Barrett, Legislative Research Department, to review four bills relating to community colleges which the Committee will be hearing this week. He then called upon Mr. Barrett.

Mr. Barrett reviewed Senate Bills 556, 606, 607, and 608. (Attachment 1)

Following the review by Mr. Barrett, the Chair called upon Senator James Francisco, sponsor of SB 556, relating to out-district tuition exemption for counties in which state educational institutions are located.

Senator Francisco pointed out that current law exempts counties which have a community college within their boundaries from paying out-district tuition to other community colleges. He maintained there is similar justification for extending this same exemption to counties that host a regents institution. (Attachment 2) Senator Francisco noted that this is one method of relief for the ad valorem tax. He felt this is a statewide issue which needs to be addressed and suggested that the subject be recommended for study by an interim committee.

When the Chair called upon Dr. W. Merle Hill, Executive Director, Kansas Association of Community Colleges, Dr. Hill explained the background for out-district tuition in his testimony found in Attachment 3. Dr. Hill testified that although he supports the concept of SB 556, solving the out-district tuition issue should be on a statewide basis rather than limited to seven counties in which state educational institutions are located. He said that the Kansas Association of Community Colleges recommends that SB 556 be reported adversely.

Following a call for more conferees, the Chair announced that the hearing on SB 556 was concluded.

Senator Allen moved, and Senator Langworthy seconded the motion to approve minutes of the February 8 Committee meeting, and the minutes were approved.

The Chair adjourned the meeting.

SENATE EDUCATION COMMITTEE

TIME: 1:30 p.m. PLACE: 123-S DATE: Tuesday, February 20, 1990

GUEST LIST

NAME	ADDRESS	ORGANIZATION
Micki Hice	Topeka	KACC
Walt Chappell	Chanute Ks.	Taxpayers/Students
Micki Martin	Mehita	Sedgwick Co.
BR V BRADLEY	Topeka	KS Assoc of Counties
Connie Huerfano	Topeka	SE Bd of Ed.
JOHN NOLTERISMEYER	Lawrence	INTERN - Sen. Moran
Mark Sheeks	Lawrence	" - Parish
David Monical	Topeka	Washburn
Andy Kelly	Topeka	KASB

(By Senator Francisco)

BACKGROUND:

S.B. 556 prohibits a community college from charging outdistrict tuition to a county in which there is located the main campus of a state educational institution. This prohibition does not apply if the student who resides in the county in which the state educational institution is located is enrolled in a course of study at the community college which course (or its equivalent) is not available at the main campus of the state educational institution. However, "regular" outdistrict state aid would be paid to the community college for such enrollments. Also, the state would pay to the community college an amount of outdistrict state aid equal to the amount of outdistrict tuition disallowed under the provisions of the bill.

BACKGROUND:

The State Department of Education estimates that the additional amount of outdistrict state aid required under S.B. 556 for FY 1991 would be about \$1.97 million.

MEMORANDUM

Kansas Legislative Research Department

Room 545-N -- Statehouse
Topeka, Kansas 66612-1586
(913) 296-3181

February 19, 1990

To: Senator Joseph Harder
From: Kansas Legislative Research Department
Re: Summary of 1990 S.B. 606, S.B. 607, and S.B. 608

1. S.B.606

Summary. S.B. 606 pertains to billings by community colleges to counties for outdistrict tuition charges and to the determination of outdistrict tuition and community college state aid entitlements.

Under the bill, community college boards would be required to submit certified statements of charges for outdistrict tuition to the boards of county commissioners. Such statements would include the names and addresses of residence in the county of the outdistrict students for which outdistrict tuition is being charged and the total number of duly enrolled credit hours of each such student.

The determination of outdistrict tuition billings and of community college state aid entitlements would be based upon the completion by students of nine weeks and one day of the regular spring and fall sessions and four weeks and one day of summer terms. For short term courses, the determination of a such enrollments would be made by the State Board of Education. Credit hour and outdistrict state aid payment dates are adjusted accordingly.

Background. The principal change in the bill is that of the date of enrollment that would be used for purposes of determining liability for outdistrict tuition and entitlements of state aid. Presently, these determinations are based on enrollments at the twentieth day of classes or upon completion of 25 percent of summer sessions and other short term courses.

The State Department of Education has estimated that in FY 1991 this change would reduce credit hour state aid by \$947,210, outdistrict state aid by \$285,158, and outdistrict tuition charged to counties by \$285,158, for a total reduction to community colleges of \$1,517,526.

H.B. 2746 is identical to S.B. 606.

2. S.B. 607

Summary. S.B. 607 pertains to community college student tuition and to outdistrict tuition and outdistrict state aid paid to community colleges.

The statutory limits on tuition that may be charged to community college students are increased from a minimum of \$14 per credit hour and a maximum of \$22 per credit hour to a minimum of \$18 per credit hour and a maximum of \$30 per credit hour. The special rate that may be charged to persons who reside on federal military reservations is increased from a minimum of \$31 per credit hour and a maximum of \$36 per credit hour to a minimum of \$35 per credit hour and a maximum of \$40 per credit hour. (The provision that student tuition for nonresidents of Kansas be at least 2.5 times the resident rate is unchanged.)

The rate of outdistrict tuition (and outdistrict state aid) that may be charged to the county of residence of a student, presently \$24 per credit hour subject to a 64/72 hour limit, is adjusted in accord with the following schedule:

<u>Resident Student Tuition Per Credit Hour</u>	<u>Outdistrict Tuition/State Aid Rate</u>
\$18	\$20
19	19
20	18
21	17
22	16
23	15
24	14
25	13
26	12
27	11
28	10
29	9
30	8

Background. The State Department of Education has noted that all community colleges would lose at least \$8 per credit hour on outdistrict hours for FY 1991 (\$4 in outdistrict tuition and \$4 in outdistrict state aid). This would equate to a minimum of \$1.6 million in outdistrict tuition charged to counties and an equal amount of outdistrict state aid. A portion of this loss would be picked up from student tuition in those community colleges whose student tuition rate is now below the new \$18 per credit hour floor. For community colleges whose student tuition rate is above the \$18 per credit hour threshold, the outdistrict tuition and outdistrict state aid loss would exceed the minimum loss for all institutions of \$4 per credit hour from each of the two sources (outdistrict tuition and outdistrict state aid) by \$1 per credit hour from each such source for every dollar per credit hour that the resident student tuition rate exceeds \$18. Thus, the bill would discourage community colleges from increasing student tuition above the minimum threshold because to do so would reduce the sum of the outdistrict tuition and outdistrict state aid by an amount approximately equal to twice the amount that would be produced from increased student tuition revenue.

S.B. 607 is identical to H.B. 2747.

3. S.B. 608

Summary. S.B. 608 pertains principally to determination of community college outdistrict tuition and outdistrict state aid entitlements.

The bill provides that a person is a nonresident of a county for outdistrict tuition purposes if such person has not resided in the county for a period of at least six months prior to enrollment in the community college. (Under present law, there is a six month residency requirement, but it applies only to residence in the county in which the community college is located.)

Outdistrict state aid at the rate of \$48 per credit hour will be paid on students who meet the six month state durational residency requirement and who live in a county other than the one in which the community college is located when the enrollments of such students do not qualify for the payment of outdistrict tuition.

With respect to the community college general state aid program, the amendment substitutes the term "assessed" for "adjusted" valuation for purposes of determining state aid entitlements under the formula. The change becomes effective in FY 1991.

Background. The State Department of Education has estimated that the provisions of S.B. 608 would have the effect of reducing outdistrict tuition billed to counties in FY 1991 by about \$95,052 and increase outdistrict state aid by a similar amount.

The change pertaining to the general state aid program has been proposed by the State Board of Education in accord with the belief that with the implementation of statewide reappraisal of property in 1989, the new assessed valuation data should be used for purposes of making general state aid distributions under this program. Assuming property valuations are maintained on a current basis as contemplated by the law, there should no longer be a need to adjust these figures by use of the assessment/sales ratio study.

S.B. 608 is identical to H.B. 2748.

BASED UPON INFORMATION PROVIDED BY THE LEGISLATIVE RESEARCH SERVICE, THE COST OF EDUCATIONAL PROGRAMS PROVIDED BY COMMUNITY COLLEGES EXCEEDS THE COST FOR EQUIVALENT PROGRAMS AT REGENTS INSTITUTIONS.

SEDGWICK COUNTY'S APPROPRIATION FOR OUT-DISTRICT TUITION IN 1987 WAS \$849,723; in 1988 IT WAS \$940,660; in 1989 IT WAS \$1,004,606; IN 1990 \$1,111,047 HAS BEEN BUDGETED. SEDGWICK COUNTY TAXPAYERS ARE PROVIDING OVER \$1 MILLION IN OUT-DISTRICT TUITION FOR MANY OF THE SAME CLASSES WHICH ARE OFFERED AT WICHITA UNIVERSITY OR AT THE WICHITA ARE VO-TECH SCHOOLS.

THE SEDGWICK COUNTY DELEGATION AND THE RESIDENTS OF SEDGWICK COUNTY ARE SUPPORTIVE OF ALL EFFORTS ENCOURAGING HIGHER EDUCATION AND TRAINING WHICH WILL ENABLE KANSANS TO MORE EFFECTIVELY ENTER THE WORK FORCE. WE ARE ALSO AWARE OF THE IMPORTANCE OF COMMUNITY COLLEGES AND THE NECESSARY ROLE THEY PROVIDE IN THE STATE'S HIGHER EDUCATION SYSTEM.

I DO, HOWEVER, HAVE SERIOUS CONCERNS ABOUT THE PRESENT FUNDING SYSTEM. CURRENT LAW EXEMPTS COUNTIES WHICH HAVE A COMMUNITY COLLEGE WITHIN THEIR BOUNDARIES, FROM PAYING OUT DISTRICT TUITION TO OTHER COMMUNITY COLLEGES. WE BELIEVE THERE IS JUSTIFICATION FOR EXTENDING THIS EXEMPTION TO COUNTIES THAT HOST A REGENTS INSTITUTION.

AFTER CAREFULLY ANALYZING AND FULLY REVIEWING THIS SUBJECT, I AM CONVINCED THERE IS A NEED FOR SB-556 TO BE ENACTED DURING

Education
2/20/90
Attachment 2

THIS 1990 SESSION. I AM CONFIDENT THAT ACCURATE DATA SHOULD BE AVAILABLE AND CAN BE PROVIDED CONCERNING THE TOTAL COST PER CREDIT HOUR FOR BOTH COMMUNITY COLLEGES AND STATE INSTITUTIONS. THERE IS A NEED TO ADDRESS THIS PROBLEM FROM A STATE-WIDE PROSPECTIVE.

MR. CHAIRMAN, I ENCOURAGE YOU AND YOUR COMMITTEE TO GIVE CONSIDERATION TO THE PASSAGE OF THIS LEGISLATION.

JAMES L. FRANCISCO

Sedgewick county appropriation for out of district tuition

1987 →	\$ 849,723	
1988 →	940,660	(907,291 estimated)
1989 →	1,004,604	(1,058,388 budgeted)
1990 →		(1,111,047 budgeted)

Butler County Comm. College

1988 →	\$ 585,603
1990 →	720,960 estimated

Cowley County Comm. College

1988 →	\$ 28,221
1990 →	76,800 estimated

(Estimates are provided by the Community Colleges)

1990 estimate for credit hours taken by SG county students

Butler County Comm. College	30,040 hrs.
Cowley County Comm. College	3,600 hrs.
	(12-15 hrs. per student per semester?)



KANSAS ASSOCIATION OF COMMUNITY COLLEGES

Columbian Title Bldg., 820 Quincy • Topeka 66612 • Phone 913-357-5156

W. Merle Hill
Executive Director

To: Senate Committee on Education

From: Merle Hill, Executive Director
Kansas Association of Community Colleges

Date: February 20, 1990

Subj: Senate Bill No. 556: An Act concerning community colleges;
relating to out-district tuition charges and payments;
providing for certain exemptions.

Mr. Chairman, members of the Committee, I am Merle Hill, executive director of the Kansas Association of Community Colleges. Thank you very much for giving me the opportunity to share the concerns of members of the Association regarding Senate Bill No. 556.

Essentially, SB 556 provides for the state to pick up the out-district tuition liability of a county for courses in which that county's residents enroll at a community college if the "sending" county is the home of a state university and, also, if the courses are offered by the state university.

Perhaps a little review of the out-district tuition may be in order. Under the 1965 act establishing what we refer to as the community college system, community colleges billed counties a charge for out-district tuition. Out-district tuition was paid on behalf of a student who resided in that county but attended a community college in another county. The theory on which out-district tuition was based was that **some property tax contribution** should be made by the taxpayers of the "sending" county to help the "home" county finance the schools operation. Subject to certain restrictions, the rate of out-district tuition charged by any community college was computed by multiplying a county's total number of full-time-equivalent students by the institutions **average maintenance and operating costs** per full-time-equivalent, **less** tuition paid by the student; credit hour aid received, and anticipated federal aid.

In 1973, legislation was passed which, in effect, **split the out-district tuition liabilities of the counties with the state**. The new law provided that 50 percent of the computed out-district liability would be paid by the state and 50 percent would be paid by the counties.

Education
2/20/90
Attachment 3

Since the provision for paying out-district tuition was based on each institution's **average maintenance and operating costs**, it was possible for a county to receive 19 different out-district tuition billings based on 19 different "average costs." In 1978, out-district tuition and out-district state aid were changed from the rates based on average operating costs to a **uniform rate** of \$21 per credit hour. Since 1978, the rate has increased by only \$3.

In 1988, the community colleges asked the State Board of Education to request a bill to increase community college state funding over a five-year period to 40 percent of statewide operating revenues. An integral part of that bill was to **phase out out-district tuition over the five-year period and have the state pick up on a dollar-for-dollar basis** as out-district state aid the phased-out out-district tuition.

The Kansas Association of Community Colleges believes solving the out-district problem for **all counties** is a better solution to the continuing problem than solving it for only seven counties in the state.

There are two community college centers which, no doubt, have caused the legislators of Sedgwick County some concern. The first is in **Butler County** at Andover, a community not far from the Sedgwick County line, and the second is in Mulvane in **Sumner County**, just a stone's throw across the county line.

At Butler County Community College's Andover Center the average age of the students is 29, just a shade below the average age of community college students statewide. In the semester just completed they completed 95 percent of the credit hours for which they enrolled. They tell the instructors the major reason they enroll at the Andover Center is that the programs and courses are student-centered. As one student said, "I'm treated like a real person, not like a number."

Advisors are on duty at all times. Even though most students are interested in a two-year degree, the advisors have had special training to assist with articulation to four-year schools. Some classes are held during the day but most are offered in the evening. Friday night classes are filled, Saturday morning classes are filled, and there are even three classes held on Sunday.

In a recent survey of 496 students regarding what they would do if the Andover Center were not available, the following responses were given:

- 261 said they would attend another Butler County Community College site.
- 78 said they would attend another school but did not specify where (15.7%).
- 157 said they would not be able to attend college.

At Cowley County Community College's Mulvane Center in Sumner County, the college leases a building from a local businessman. The average age of the 500 headcount-students (duplicated) is 32, and they enrolled this past semester for about 1,700 credit hours. Sixty-five percent of

them are residents of Sumner County and 35 percent of them reside in Sedgwick County. The course offerings are 50 percent academic and 50 percent vocational.

The community college also offers one drafting-engineering graphics course inside Sedgwick County at Mulvane High School. This is done, however, with the approval of the officials at Wichita State University and the State Department of Education.

What we have, then, is adult students taking their free time and spending their hard-earned money to attend college. Nearly all of them complete what they start and are pleased with the educational and vocational programs offered to them. Their education and training allow them to maintain or move up in their occupations or permit them to retrain for a different occupation.

The members of the Kansas Association of Community Colleges support the concept of eliminating out-district tuition embodied in SB 556 but do not believe it wise to solve the out-district tuition problem in a piecemeal fashion. They recommend that SB 556 be reported unfavorably for passage.

Thank you.

MH:am

1988-89
Estimated Dollar Amount of
County Out-District Tuition Billings

9/89

County	Amount Paid	Millage Equiv	County	Amount Paid	Millage Equiv
Allen	\$28,306	0.51	Linn	\$86,753	0.73
Anderson	77,793	2.11	Logan	31,290	1.21
Atchison	77,684	1.57	Lyon	50,859	0.44
Barber	75,766	1.44	Marion	39,299	0.70
Barton	7,242	0.05	Marshall	73,457	1.44
Bourbon	7,729	0.16	McPherson	125,940	0.87
Brown	88,287	1.92	Meade	37,086	0.47
Butler	7,902	0.04	Miami	175,396	2.30
Chase	9,237	0.37	Mitchell	51,258	1.44
Chautauqua	56,026	2.92	Montgomery	43,833	0.35
Cherokee	232,041	3.72	Morris	12,662	0.40
Cheyenne	30,357	1.32	Morton	31,134	0.31
Clark	33,889	0.92	Nemaha	60,227	1.32
Clay	55,449	1.46	Neosho	32,400	0.56
Cloud	1,107	0.02	Ness	27,400	0.56
Coffey	66,331	0.13	Norton	76,211	2.88
Comanche	32,050	1.28	Osage	74,100	1.55
Cowley	2,388	0.02	Osborne	31,922	1.04
Crawford	171,446	2.08	Ottawa	34,439	0.93
Decatur	27,917	1.06	Pawnee	92,756	2.05
Dickinson	105,793	1.46	Phillips	50,767	1.23
Doniphan	1,709	0.06	Pottawatomie	69,603	0.26
Douglas	198,084	0.86	Pratt	1,796	0.02
Edwards	42,900	1.34	Rawlins	29,530	1.09
Elk	31,683	1.65	Reno	7,521	0.03
Ellis	83,015	0.71	Republic	53,944	1.50
Ellsworth	68,852	1.38	Rice	100,845	1.32
Finney	5,803	0.02	Riley	63,033	0.47
Ford	5,388	0.05	Rooks	35,484	0.73
Franklin	127,267	1.97	Rush	39,847	1.15
Geary	45,455	0.66	Russell	63,259	1.11
Gove	31,889	0.93	Saline	131,935	0.75
Graham	36,191	1.05	Scott	43,473	1.27
Grant	59,779	0.33	Sedgwick	1,003,202	0.65
Gray	76,454	1.77	Seward	6,169	0.05
Greeley	20,313	0.78	Shawnee	43,296	0.08
Greenwood	49,320	1.16	Sheridan	47,000	2.08
Hamilton	27,154	0.82	Sherman	45,929	1.20
Harper	70,983	1.30	Smith	30,639	1.07
Harvey	129,161	1.17	Stafford	71,926	1.57
Haskell	50,738	0.51	Stanton	21,191	0.34
Hodgeman	21,927	0.81	Stevens	47,077	0.20
Jackson	64,243	2.01	Sumner	197,149	2.25
Jefferson	72,075	1.54	Thomas	2,688	0.05
Jewell	38,079	1.46	Trego	26,535	0.92
Johnson	66,375	0.05	Wabaunsee	28,393	0.93
Kearny	56,918	0.33	Wallace	28,352	1.30
Kingman	80,260	1.11	Washington	54,736	1.27
Kiowa	46,788	1.01	Wichita	31,489	1.14
Labette	18,310	0.26	Wilson	121,334	2.88
Lane	22,600	0.79	Woodson	43,852	1.93
Leavenworth	265,340	2.06	Wyandotte	46,815	0.11
Lincoln	18,021	0.67			
			TOTAL	\$6,905,043	0.61

3-4

1988-89
 Estimated Dollar amount of
 County Out-District Tuition Billings
 For Washburn University

9/89

ALLEN		0.00	LINN	\$1,536	0.01
ANDERSON		0.00	LOGAN		0.00
ATCHISON	\$4,614	0.09	LYON	3,357	0.03
BARBER	161	0.00	MARION		0.00
BARTON		0.00	MARSHALL	4,703	0.09
BOURBON	138	0.00	MCPHERSON	2,472	0.02
BROWN	7,200	0.16	MEADE		0.00
BUTLER		0.00	MIAMI	5,913	0.08
CHASE		0.00	MITCHELL	720	0.02
CHAUTAUQUA		0.00	MONTGOMERY		0.00
CHEROKEE	69	0.00	MORRIS	1,376	0.04
CHEYENNE	216	0.01	MORTON		0.00
CLARK		0.00	NEMAHA	10,728	0.23
CLAY	573	0.02	NEOSHO		0.00
CLOUD		0.00	NESS	624	0.01
COFFEY	5,849	0.01	NORTON	1,200	0.05
COMANCHE		0.00	OSAGE	34,507	0.72
COWLEY		0.00	OSBORNE	624	0.02
CRAWFORD	1,416	0.02	OTTAWA	2,241	0.06
DECATUR	1,728	0.07	PAWNEE		0.00
DICKINSON	3,708	0.05	PHILLIPS	1,510	0.04
DONIPHAN		0.00	POTTAWATO	18,678	0.07
DOUGLAS	23,667	0.10	PRATT		0.00
EDWARDS	1,605	0.05	RAWLINS	192	0.01
ELK		0.00	RENO		0.00
ELLIS	1,296	0.01	REPUBLIC	288	0.01
ELLSWORTH	69	0.00	RICE	2,328	0.03
FINNEY		0.00	RILEY	5,398	0.04
FORD		0.00	ROOKS	15,432	0.32
FRANKLIN	5,118	0.08	RUSH	504	0.01
GEARY	5,529	0.08	RUSSELL	264	0.00
GOVE	573	0.02	SALINE	9,261	0.05
GRAHAM	576	0.02	SCOTT		0.00
GRANT	1,584	0.01	SEDGWICK	18,214	0.01
GRAY	876	0.02	SEWARD		0.00
GREELEY	576	0.02	SHAWNEE	278,544	0.49
GREENWOOD	96	0.00	SHERIDAN	1,512	0.07
HAMILTON	1,368	0.04	SHERMAN	288	0.01
HARPER	1,956	0.04	SMITH	381	0.01
HARVEY	3,912	0.04	STAFFORD		0.00
HASKELL		0.00	STANTON	1,529	0.02
HODGEMAN		0.00	STEVENS		0.00
JACKSON	34,706	1.08	SUMNER	8,004	0.09
JEFFERSON	41,573	0.89	THOMAS		0.00
JEWELL	600	0.02	TREGO	1,601	0.06
JOHNSON		0.00	WABAUNSEE	12,328	0.41
KEARNY	184	0.00	WALLACE		0.00
KINGMAN	816	0.01	WASHINGTON	2,304	0.05
KIOWA		0.00	WICHITA		0.00
LABETTE		0.00	WILSON	1,752	0.04
LANE	768	0.03	WOODSON	600	0.03
LEAVENWORTH	19,583	0.15	WYANDOTTE		0.00
LINCOLN		0.00			
			TOTAL	\$623,616	0.10