

Approved March 6, 1991
Date

MINUTES OF THE HOUSE COMMITTEE ON EDUCATION

The meeting was called to order by Representative Rick Bowden at
Chairperson

3:30 a.m. on February 26, 1991 in room 519-S of the Capitol.

All members were present except:

All Present

Committee staff present:

Avis Swartzman, Revisor of Statutes Office
Ben Barrett, Legislative Research
Donna Lutjohann, Secretary to the Committee

Conferees appearing before the committee:

Rep. Jess Harder
Rep. Mike O'Neal
Max Ary, Cosmosphere, Hutchinson, KS
Ken Gibson, HCC
Craig Grant, K-NEA
Jim Stringer, President, HCC
Stuart Oswald, Hutchinson
Wes Nunemaker, Hutchinson

The meeting was called to order by Chairman Bowden.

Chairman Bowden opened hearings on HB 2166.

The first conferee, Rep. Jess Harder, was the first proponent of the bill. He said this bill would make the conditions under which boards of trustees for community colleges may grant long term lease agreements would be more clear. (Attachment 1).

The second conferee was Rep. Mike O'Neal; proponent. He stated that clarifying the power of community college boards of trustees with regard to the lease of real property for mutual benefit would be achieved by this bill. (Attachment 2).

Max Ary, Exec. Director of the Cosmosphere testified in favor of HB 2166. He said Hutchinson Community College was the first community college in the state to have a planetarium and through this program, the cosmosphere and space institution have developed. He said this bill would clarify the fact that community colleges are capable of expansion and are for the good of the community.

Ken Gibson, Dean of Instruction, HCC was also a proponent of the bill. He stated that the Cosmosphere has progressed because of this program. (Attachment 3).

Stuart Oswald, Attorney for HCC also spoke in favor of the bill. He also said the expansion of the Cosmosphere is necessary and that a community college serves the community in its own needs. This allows the community to decide what to do and what is needed.

Jim Stringer, also spoke in favor of the bill and hoped for a favorable passage out of committee.

Wes Nunemaker, HCC, pointed out that this bill is important because of the need that HCC has to complete a lease agreement with its long-time lessee, the Kansas Cosmosphere and Space Center. (Attachment 4).

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON EDUCATION,
room 519-S, Statehouse, at 3:30 ~~a.m.~~^{XXX}/p.m. on February 26, 1991

Craig Grant, a proponent representing KNEA, approves of the bill to allow the community colleges some latitude to enter into lease agreements regarding some property owned by the college. (Attachment 5)

Rep. Bowden closed hearings on HB 2166 and opened HB 2120 for discussion from the committee. Rep. Wiard moved that HB 2120 be passed out favorably and it was seconded by Rep. Lahti. The following points were brought up.

1. Arbitration was considered and not favored
2. The history of the bill was presented
3. The local school board is elected; let them do their job
4. More discussion from colleagues was needed and there were concerns about passage of this bill from the administrative aspect
5. The present law is effective
6. Need to have good relationships between teacher and the board

Rep. Wiard closed on the motion. The bill passed favorably out of the committee by a vote of 12 for and 10 against. Chairman Bowden and Rep. Crumbaker counted the votes by a show of hands.

A motion was made by Rep. Lahti to pass out favorably HB 2115 and it was seconded by Rep. White. Rep. Empson made a substituted, non-debatable motion to table the bill. By a show of hands, counted by Chairman Bowden and Rep. Crumbaker, the motion to table HB 2115 was favorably passed with 13 for and 10 against. The bill is tabled until further action is taken on the bill.

The meeting was adjourned at 4:40 with the next meeting scheduled for Wednesday, February 27, 1991 at 3:30 p.m. in Room 519-S.

DATE Feb 26, 91

GUEST REGISTER
 HOUSE
 EDUCATION COMMITTEE

NAME	ORGANIZATION	ADDRESS
D Stewart Oswalt	Hutch Comm College	Hutchinson, KS
Wesley Neumann	Hutch Comm College	Hutchinson, KS
John Neal	" " "	" "
John F. Baldwin	" " "	Hutchinson, KS
Max Amy	Ks. Cosmospere + Space Co.	" "
Jim Gilliland	" " "	" "
Chuck Hillings	Ks. Cosmospere	Hutchinson, KS.
Nancy Graham	USD 465	Winfield, KS
Darla Smith	USD 465	Winfield, KS.
Art Henry	Hutch Comm College	Hutchinson, KS
Kenn Gibson	Hutch Comm College	Hutchinson, KS.
Cindy Keller	KASB	Topeka, KS
Pat Baker	KASB	Topeka, KS
Robert Nichols	USD 259	Wichita
Jacqueline Jones	SQE	Topeka
Barbara Cole	KNEA	Topeka
Carolee Hamill	KNEA	Wichita
Don Barnes	DOR	Topeka
Jim Young	USD # 512	Overland Park
Chris C. Burnett	USD 50/H	Topeka, Kan.



TOPEKA

HOUSE OF
REPRESENTATIVES

JESSE J. HARDER

REPRESENTATIVE, ONE HUNDRED AND THIRD DISTRICT
BOX 208
BUHLER, KANSAS 67522

COMMITTEE ASSIGNMENTS

MEMBER: EDUCATION
LOCAL GOVERNMENT
TAXATION
LEGISLATIVE EDUCATIONAL
PLANNING COMMISSION

HB 2166

February 26, 1991

Testimony Presented to
House Education Committee

Mr. Chairman and members of the committee:

House Bill 2166 has been introduced to make more clear the conditions under which boards of trustees for community colleges may grant long term lease agreements.

The need arises out of a local case but would have statewide application should similar situations develop on other campuses.

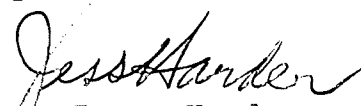
A number of years ago a private entity built the Cosmosphere and Space Museum on the campus of Hutchinson Community College.

The Cosmosphere and Space Museum have become the number one tourist attraction in the State of Kansas. Plans for an eight or nine million dollar expansion are in the works. However, there is some question as to whether or not a long term base agreement can be made under current law. The proposed language beginning on line 32 of page 2, I am told, would make the desired lease possible.

Other conferees from both the Cosmosphere and Hutchinson Community College are here to give the history in greater detail and explain the need for clarifying legislation.

Your favorable consideration is requested.

I thank you for listening to my testimony.


Rep. Jesse Harder
District 103

HOUSE EDUCATION
Attachment 1
February 26, 1991

February 26, 1991

H. B. 2166

Rep. Michael R. O'Neal

Thank you, Mr. Chairman, for the opportunity to appear on H.B. 2166. I certainly hope and expect that this appearance will be far less controversial than my last visit.

H. B. 2166 would clarify the power of community college boards of trustees with regard to the lease of real property for mutual benefit. Most, if not all, community college boards assume they have full authority to enter into lease arrangements, pursuant to K.S.A. 71-201 (b) (7), which grants them the authority *"to enter into contracts"*. However, (b)(9) deals with how boards may acquire real estate, and (b)(10) currently deals with the circumstances under which property owned by the college can be sold.

With regard to Hutchinson Community College, for example, which has the Kansas Cosmosphere and Space Center located on its grounds under a long-term lease agreement, a question has arisen concerning the Board's power to lease its own property to another entity for a mutual benefit. The same question can arise at any of the other community colleges in the state with similar agreements with the private sector. For example, we have been made aware of the

interest that U.S. Sprint has in building a training facility on the campus of the community college in Johnson County.

In fact, such ventures are precisely the goal and mission of community colleges, providing opportunities to students and citizens of the community and surrounding areas. To insure that such questions do not surface in the future, the amendment to K.S.A. 71-201 which is the subject of H. B. 2166 makes it clear, if it wasn't clear before, that community college boards have the power to enter into lease agreements.

This bill, while applying to all community colleges in the state, does have important application immediately for Hutchinson Community College, which is negotiating with the private foundation which operates the Kansas Cosmosphere & Space Center for an expansion of the Cosmosphere on the community college's campus. The expansion exceeds \$8 million and, understandably, those involved are concerned about ambiguities in the statute that may impede those negotiations. For that reason, the assistance of this Committee in reporting the bill favorably at its earliest opportunity would be greatly appreciated. Thank you.

3:30 P.M.
Rm 511
State Capitol
Tjuebe
519-5

Dr. Stringer:

Mr./Mrs. Chairman, ladies and gentlemen.
I thank the committee for allowing me the opportunity to speak for Hutchinson Community College in the matter before you now of HB No. 2166 proposing the addition of an item providing community college boards of trustees the authority to act as lessors of college property.

This item is of particular interest to Hutchinson Community College because of the unusual relationship which has developed between HCC and the Kansas Cosmosphere and Space Center.

More than 30 years ago members of the Hutchinson community determined there was a need for a planetarium and set out to establish one on the Kansas State Fairgrounds.

More than 25 years ago, at a time when the planetarium had outgrown its surroundings and the college was in the midst of construction, the planetarium and college boards decided to combine their similar interests and design the college's proposed science building to incorporate the planetarium.

More than 10 years ago, as the interest in space expanded, the Kansas Science and Arts Foundation worked with the college board to construct the Cosmosphere facilities around the original building, expanding to incorporate the discovery center and to accommodate growth. The lease entered into at that time detailed the rights and responsibilities on both sides.

Hutchinson Community College and the Kansas Cosmosphere and Space Center have enjoyed a long and mutually beneficial relationship. The Cosmosphere has served as an educational resource for the college, supplementing the classroom in certain areas, supporting the college in marketing and in-service activities, and cooperating to establish a NASA library to benefit science teachers in the area.

The Cosmosphere has now reached a point of needing to expand services once again. Because of its non-profit nature, it must raise nearly \$9 million from public donations to fund the needed expansion. All details of the lease agreement have been worked out to the satisfaction of both boards. The problem is that while long-term leases are not specifically prohibited in the current legislation, neither are they specifically permitted.

You can see the difficulty the Cosmosphere faces in raising money from public donations if there is no long-term assurance that the facilities purchased with that money will

-more-

page 2

remain available for the Cosmosphere's use. In the course of events, 10 years is not a very long period of time for agreements between government agencies, especially in light of the constant changing of publicly elected boards. A short-term agreement always opens up the possibility of capricious behavior on either side. In my opinion, the Cosmosphere should not have to conduct its business in the presence of a threat of imminent ejection.

Hutchinson Community College would appreciate your favorable consideration of the change to K.S.A. 1990 Supp. 71-201, as proposed in HB 2166.

Thank you.

Mr. Nunemaker:

Mr./Mrs. Chairman, ladies and gentlemen.

I appreciate the opportunity the committee has provided for Dr. Stringer and me to speak for Hutchinson Community College about HB No. 2166, a proposal which would enable community college boards of trustees to act as lessors of college property, setting terms appropriate to the individual case.

Hutchinson Community College is particularly concerned with this matter because of its pressing need to complete a lease agreement with its long-time lessee, the Kansas Cosmosphere and Space Center.

I have served on the Hutchinson Community College board in one capacity or another for 32 years--since long before the gleam in Patty Carey's eye first took shape as a planetarium on the Kansas State Fairgrounds. I'd like to think that having been around for that period of time gives me some credibility before this audience. I have observed the evolution of the Kansas Cosmosphere firsthand and know from the board member's perspective how the previous lease agreement has benefited the college and the Cosmosphere.

Both entities have obligations to the public which supports them. HCC, in addition to its primary educational mission and the essential services that support that mission, also recognizes that it must "continue to respond to the needs of and encourage the advancement of the community it serves by training and retraining personnel for business and industry; promoting economic, social, and cultural values; and contributing to the quality of life in the area it serves."

HCC personnel believe in that commitment so much that it appears in the college's published mission statement. Following that commitment to the community, the mission statement also identifies HCC as a trustee of public resources and stresses that the college "aims to exercise stewardship, effective management, and responsible leadership."

We believe that by authorizing the board to become lessors setting appropriate long-term leases, the legislature can enable the college to fulfill its mission of exercising stewardship, effective management, and responsible leadership.

The relationship between Hutchinson Community College and the Kansas Cosmosphere and Space Center have been one of a formal exchange of material benefits, but it has also involved a more informal exchange of other less tangible benefits.

-more-

HOUSE EDUCATION
Attachment 4
February 26, 1991

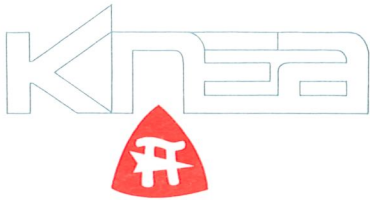
page 2

The Cosmosphere has experienced phenomenal success, growing to the point that it is the number one visitor attraction in Kansas. For the Cosmosphere to maintain its health and vitality, it must now raise nearly \$9 million to fund the needed expansion.

The college board has spent several months studying the situation, holding hearings, and examining the proposed new lease agreement. It is satisfied that the details have been worked out to the benefit of both organizations. All that is lacking at this point is for the legislature to enact legislation that will enable the board to set the length of the contract for a time that will give the Cosmosphere reasonable expectation of the stability it needs to go to the public for donations with the assurance that facilities purchased with that money will remain available for the Cosmosphere's use on a long-term basis.

We count on you to provide that enablement by favorably considering the change to K.S.A. 1990 Supp. 71-201, as proposed in HB 2166.

Thank you.



Craig Grant Testimony Before The
House Education Committee
Tuesday, February 26, 1991

Thank you, Mr. Chairman. I am Craig Grant and I represent Kansas-NEA. I appreciate this opportunity to visit with the committee on HB 2166.

Kansas-NEA supports HB 2166. It only makes sense to allow community colleges some latitude to enter into lease agreements regarding some property owned by the college. If equipment or buildings are not being utilized by the college, it is sometimes a good business practice to lease such property until such time as a good selling price can be obtained or when it is needed by the college. I do not think college board of trustees will abuse this new authority. There is a safeguard on page 2, lines 40 and 41, if they do abuse it.

Kansas-NEA supports HB 2166 and urges the committee to pass it favorably. Thank you for listening to our concerns.

HOUSE EDUCATION
Attachment 5
February 26, 1991