

March 7, 1991

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.

The meeting was called to order by Senator August "Gus" Bogina, Chairperson at 11:10 a.m. on February 25, 1991, in Room 123-S of the Capitol.

All members were present except:

Committee staff present:

Diane Duffy, Legislative Research Department
Gordon Self, Revisors' Office
Judy Bromich, Administrative Assistant
Ronda Miller, Committee Secretary

Conferees appearing before the committee:

None

Attachment 1, "\$322.4 million Property Tax Reduction Through Better Education Management," and Attachment 2, "Justification for Moving the Public Broadcasting Commission to the Kansas Board of Regents," were distributed for the Committee's information.

Senator Harder moved, Senator Allen seconded, the approval of the February 18 and 19 minutes. The motion carried on a voice vote.

SUBCOMMITTEE REPORT ON SB 70 - Appropriations for FY 92, Department of Education

Senator Bogina reviewed the FY 91 and FY 92 subcommittee reports on the Department of Education. He cautioned the Committee that the cuts appear larger than they actually are because the subcommittee made adjustments to the Governor's enhanced budget. In answer to a question, he noted that the recommendations for funding of special education brings the FY 91 level to 83% and the FY 92 level to 73%.

Regarding the FY 92 recommendations, it was noted that the income tax rebate is set at 24% by current law. According to recommendation 3, legislation would be introduced that would reduce the percentage for one year only, capping the amount at \$185. million.

Senator Salisbury noted that Washburn University experiences the greatest reduction in out-district-aid (3.8%) by the subcommittee's FY 92 recommendations. She also pointed out that the reduction in the credit hour aid did not compensate the operating grant.

In regard to the FY 91 budget for the Department of Education, Senator Salisbury stated that the agency had requested that a portion of its appropriation for the Human Sexuality program be allocated for the operating budget. Senator Winter moved, Senator Doyen seconded, that \$93,734 be deleted from the FY 91 appropriation for Human Sexuality/AIDS Education. The motion carried on a voice vote.

In answer to a question, staff stated that the agency requested a \$4.3 million increase for special education above the FY 91 appropriation which would keep the per teacher amount at the amount the districts were told to expect last June which was \$17,200. It was noted that \$16,750 is the amount the state department started paying last fall and, with no additional appropriation, the per unit amount for FY 91 would be \$16,500.

In regard to the FY 92 subcommittee recommendations, the Chairman suggested that the amounts recommended for School District Income Tax Refund, Transportation Aid, and Special Education be reinstated at the FY 91 level,

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, February 25, 1991.

and that the recommended appropriation for General State Aid be raised to the FY 90 level. This amount would nearly equate \$14.1 million of demand transfers which would not occur if the income tax rebate is capped at \$185. million (Attachment 3-4, Recommendation 5). Lengthy discussion followed the Chairman's suggestion. It was Senator Gaines' opinion that the suggestion was unfair to school districts that cannot generate income tax. Senator Kerr noted his concern that the Committee was missing an opportunity to change policy concerning special education. It was his belief that one reason for the rapid growth in special education costs is decision making, and that moneys should be redistributed to district income tax rebate rather than special education. Senator Winter noted his concern that the suggestion would aid secondary but not postsecondary education, and that adding these appropriations back into the budget would reduce the effect of trying to stay within current resources.

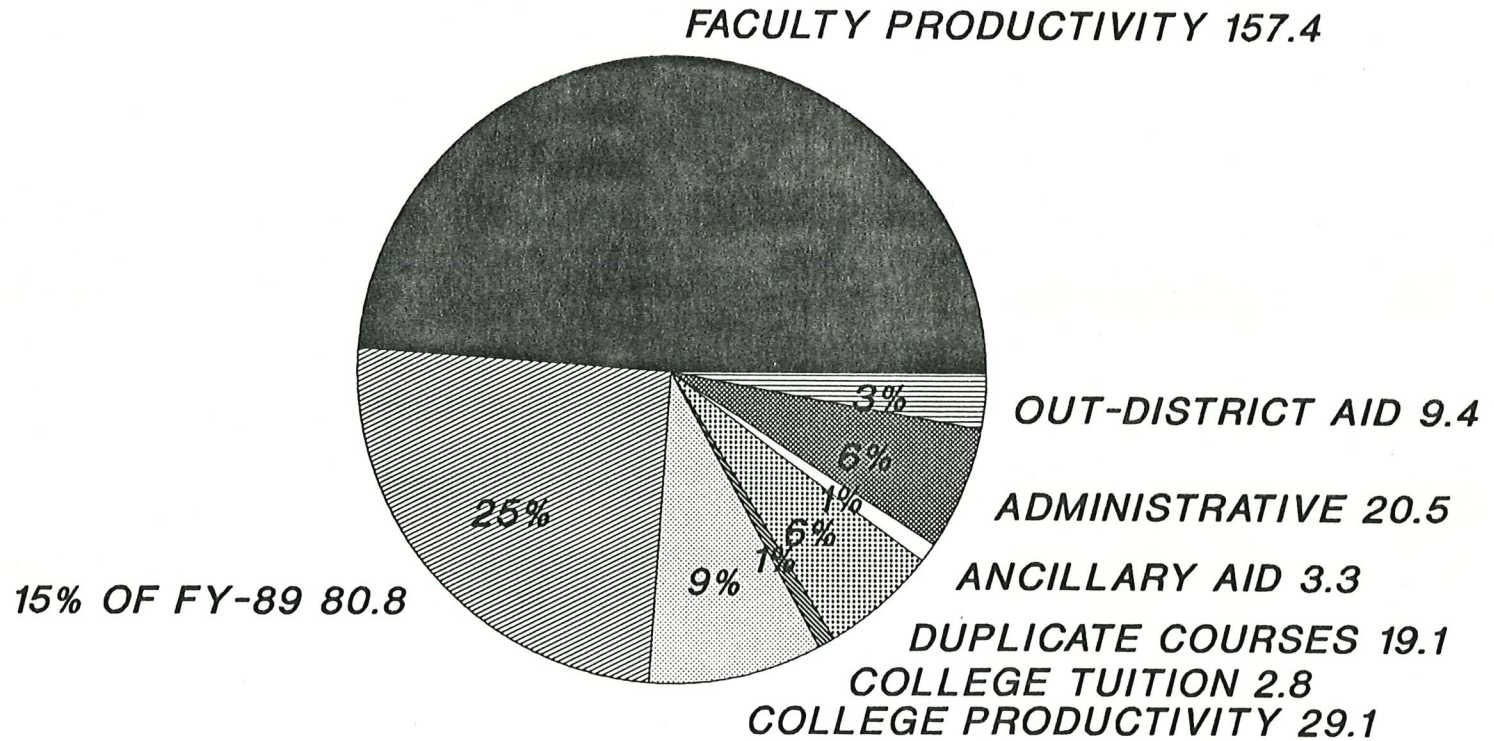
Senator Hayden moved, Senator Parrish seconded that the amounts for School District Income Tax Refund, Transportation Aid, Special Education and Bilingual Education Aid be reinstated at the FY 91 level, and that the recommended appropriation for General State Aid be raised to the FY 90 level. The motion carried on a show of hands.

Senator Kerr moved, Senator Doyen seconded, that the subcommittee report be amended to include sufficient moneys from the State General Fund for the At Risk/Innovative Program to equate a 2.5% reduction from the FY 91 level and to include an increase in Community College Credit Hour Aid so that the deduction becomes 2.8% rather than 3.3%. Concern was expressed that allowances for favorite programs would have the eventual effect of across the board cuts. The motion carried on a show of hands.

Senator Hayden moved, Senator Allen seconded, that the subcommittee report as amended be adopted. The motion failed on a show of hands.

The Chairman adjourned the meeting at 12:24 p.m.

\$322.4 MILLION PROPERTY TAX REDUCTION THROUGH BETTER EDUCATION MANAGEMENT



**INCREASED FACULTY PRODUCTIVITY
REDUCED ADMINISTRATIVE COSTS**

Savings in Millions

*SUM
July 25, 1991
Attachment 1*

TO: SENATE WAYS AND MEANS SUBCOMMITTEE

2/13/91

FROM: DR. WALT CHAPPELL *WC*

SUBJECT: RECOMMENDATIONS FOR SENATE BILL NO. 70 ON DOE FY-92 FUNDING

1) Given the important need to lower property taxes in Kansas, I recommend that **\$273.1 Million dollars** in reduced State spending be allocated to the School District ad valorem reduction fund. (See Page 1, Line 40 of SB-70.)

2) These funds came from tax dollars saved through increased Faculty Productivity in Kansas Post-Secondary Institutions. For further details on how these funds can be saved, please refer to the attached document entitled REDUCING THE COST OF POST-SECONDARY EDUCATION BY \$200 MILLION DOLLARS AND LOWERING PROPERTY TAXES BY \$200 MILLION DOLLARS PER YEAR.

3) The attached chart entitled **KANSAS COMMUNITY COLLEGE SAVINGS FROM INCREASED FACULTY PRODUCTIVITY & 20% ADMINISTRATIVE COSTS** itemizes a total of \$34.9 Million Dollars in reduced spending from 5 specific actions. Once implemented at the state level, this increase in faculty productivity and reduced overhead will lower property taxes an additional \$49.3 Million dollars. **THE TOTAL PROPERTY TAXES REDUCED BY THESE ACTIONS WILL BE APPROXIMATELY \$322.4 MILLION.**

4) To achieve these savings, I recommend that under Page 2, Line 13, the following wording be inserted:

PROVIDED, THAT AN ENROLLMENT OF NOT LESS THAN 25 STUDENTS PER SECTION OF A COURSE OF INSTRUCTION SHALL BE REQUIRED BEFORE THE STATE OF KANSAS WILL PAY FOR ANY NEW SECTION OF THE SAME DAYTIME OR NIGHT COURSE AT THE SAME ATTENDANCE CENTER.

FURTHERMORE, NO KANSAS COMMUNITY COLLEGE SHALL RECEIVE MORE THAN A TOTAL OF 20% OF THE DIRECT INSTRUCTIONAL COSTS FOR ITS ON AND OFF CAMPUS COURSES TO PAY ADMINISTRATIVE AND NON-INSTRUCTIONAL PERSONNEL.

5) The State Legislature never passed the Five-Year Plan submitted by the Department of Education to bring state spending up to 40% of the total operating costs of Kansas Community Colleges. As a compromise during the 1989 Session, the concept of Ancillary Credit Hour State Aid was passed for that year only. However, this same funding category has been reinserted into the Appropriations Bill the past two years without the Legislature ever voting to accept this added financial obligation.

THEREFORE, **ANCILLARY AID ON PAGE 2, LINE 14 SHOULD BE ELIMINATED.** The Community Colleges could double their enrollment without a significant increase in instructional costs to the taxpayers. This Ancillary Aid is not needed nor was the 5 Year Plan approved by the Legislature. (See the chart entitled **COMPARISON OF SB-70, FY-92 REQUEST WITH 1989, 5 YEAR PLAN.**)

6) Page 2, Line 18 of SB-70 should be reduced to \$4.92 Million. Out-District Aid is being used by the Community Colleges to generate revenue by offering courses of questionable value and paying students to attend. This built-in source of revenue encourages them to compete with Regents institutions and private colleges with the taxpayers subsidizing the cost of instruction. This funding category also creates a major hardship on property taxpayers from surrounding counties who are forced to pay for these courses.

The State needs a new funding formula based on the actual cost of instruction in each Department at all Kansas Post-Secondary Education institutions. Once in place, this Out-District Funding Category should be eliminated all together.

7) General State Aid on Page 2, Line 19 should stay the same at .4 Million dollars. This brings the **TOTAL APPROPRIATION FOR KANSAS COMMUNITY COLLEGES TO \$16.8 MILLION DOLLARS.** (See the chart entitled **FY-92 PROPOSED STATE FUNDING FOR KANSAS COMMUNITY COLLEGES WITH INCREASED PRODUCTIVITY AND REDUCED ADMINISTRATIVE COSTS** for a detailed listing of these items.

8) To improve the quality of education throughout Kansas K-12 School districts, I recommend that a total of \$455,000 be inserted in the DOE Budget for FY-92. The attached **PLAN FOR THE 1990'S TO IMPROVE K-12 EDUCATION FOR LESS COST** lists six (6) specific activities which need to be implemented next year. These include (1) **DEVELOP MINIMUM COMPETENCY STANDARDS AND EXAMS,** (2) **DEVELOP A FINANCIAL BONUS FORMULA** for schools with achievement scores in the top 10%, (3) **TRAIN SPECIAL CONSULTANTS TO WORK AS MASTER TEACHERS,** (4) **FORM A STATE CURRICULUM STEERING COMMITTEE,** (5) **DEVELOP A NEW EQUAL EDUCATIONAL OPPORTUNITY SCHOOL FINANCE FORMULA,** & (6) **FUND AN ANALYSIS BY BUSINESS AND INDUSTRIAL LEADERS OF EDUCATIONAL FUNDING NEEDS.** Each of these action items should be inserted into SB-70 with the "not to exceed" provision.

This one-time investment of \$455,000 will set the stage for quality, Outcomes Based education in every school in Kansas. Once implemented, the Plan will assure each parent that the school their child attends, regardless of the neighborhood in which they happen to live, will provide an equal educational opportunity and prepare them for the 21st Century.

**KANSAS COMMUNITY COLLEGE SAVINGS
FROM INCREASED FACULTY PRODUCTIVITY & 20% ADMINISTRATIVE COSTS**

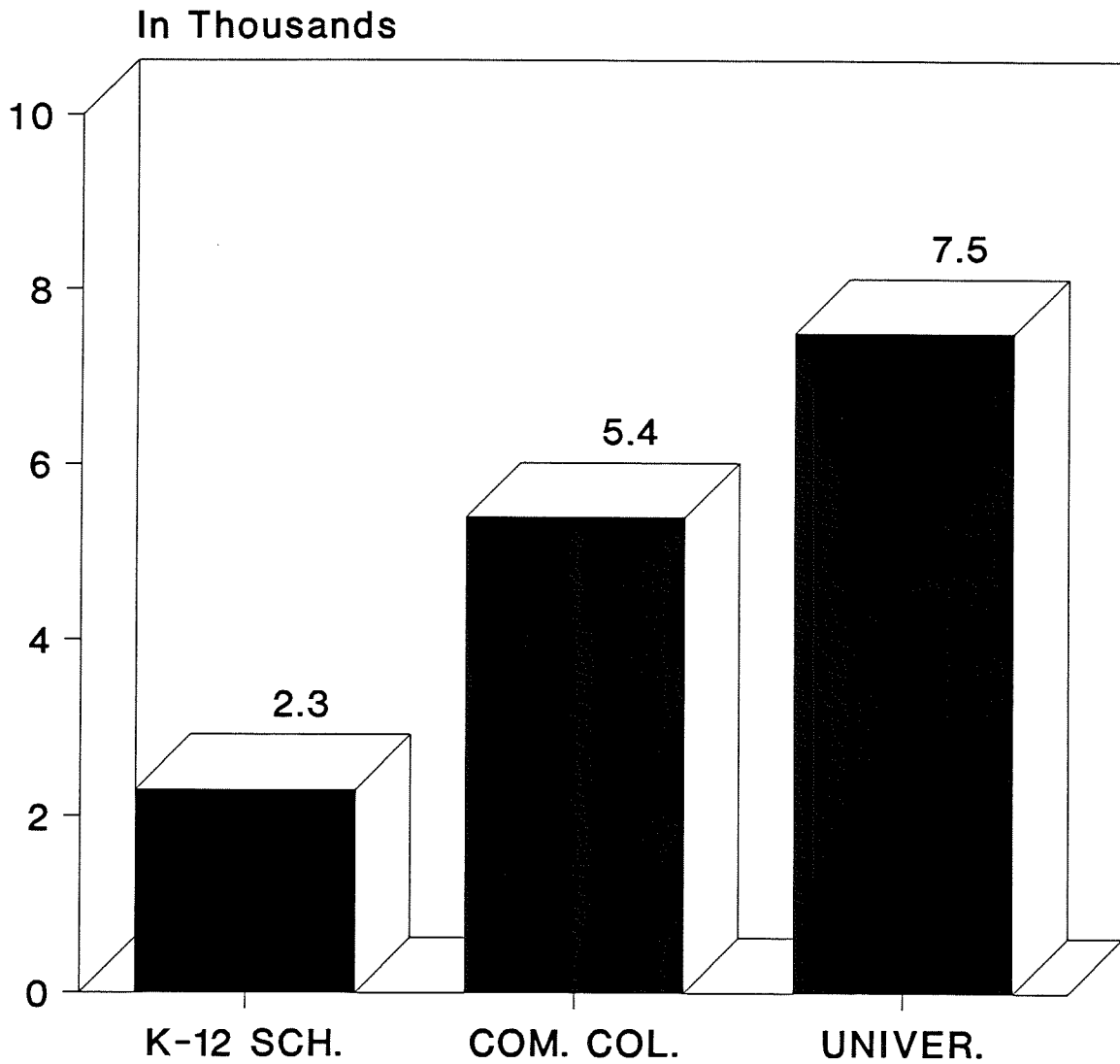
1) Increased Community College Full-Time Faculty Productivity	\$9.4 Million
2) Eliminate Duplicate Payroll Costs for Courses Taught by Adjunct Faculty	6.2
3) Reduce Community College Administrative Expenses from 40+% to 20% of Instructional Costs	6.6
4) Delete Ancillary Credit Hour State Aid	3.3
5) Reduce Out-District State Aid & Eliminate Entirely once New Funding Formula is Established	<u>9.4</u>
6) TOTAL SAVINGS	\$34.9 MILLION

**FY-92 PROPOSED STATE FUNDING FOR KANSAS COMMUNITY COLLEGES
WITH INCREASED PRODUCTIVITY AND REDUCED ADMINISTRATIVE COSTS**

SB-70 PAGE 2:

Line 13) Credit Hour Aid	\$11.49 Million
Line 14) Ancillary Credit Hour Aid	0
Line 18) Out-District State Aid	4.92
Line 19) General State Aid	<u>.40</u>
TOTAL STATE FY-92 APPROPRIATION	\$16.80 MILLION

KANSAS EDUCATION \$/F.T.E. TAX DOLLARS TO EDUCATE ONE STUDENT



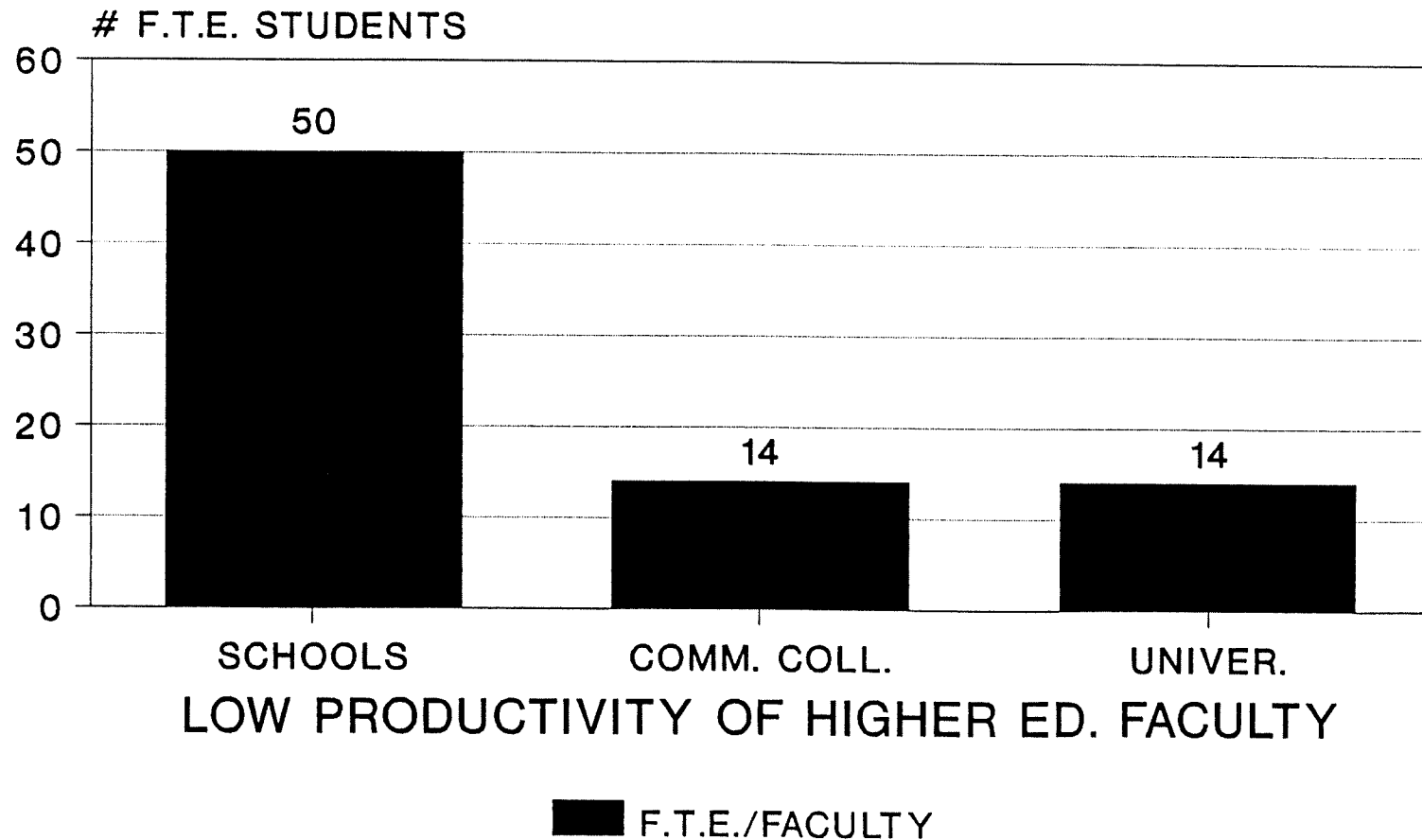
RISING COST OF HIGHER EDUCATION

■ \$/F.T.E.

SOURCE: KANSAS DOE, REGENTS & LEG. AUDIT

FACULTY PRODUCTIVITY

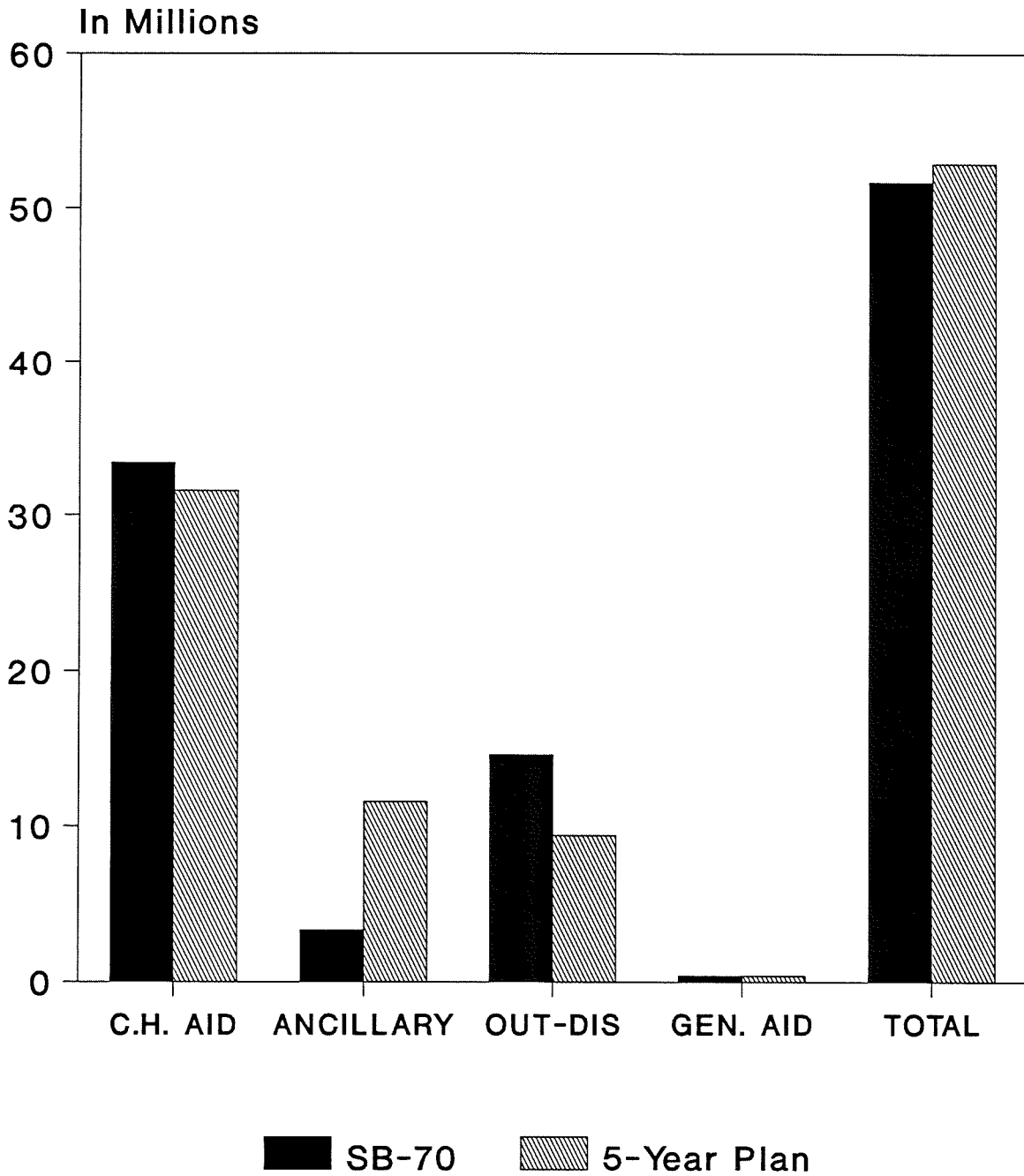
F.T.E. STUDENTS TAUGHT/FACULTY



SOURCE: KANSAS DOE, REGENTS & LEG. AUDIT

9-1

COMPARISON OF SB-70, FY-92 REQUEST WITH 1989, 5-YEAR PLAN



SOURCE: LEG. RESEARCH, KDOE

TO: HOUSE APPROPRIATIONS SUBCOMMITTEE

2/13/91

FROM: DR. WALT CHAPPELL *WC*

SUBJECT: RECOMMENDATIONS FOR HOUSE BILL NO. 2086 ON REGENTS FY-92 FUNDING

1) Given the important need to lower property taxes in Kansas, I recommend that **\$273.1 Million dollars** in reduced State spending be allocated to the **School District ad valorem reduction fund**. (See Page 1, Line 40 of SB-70.)

2) These funds came from tax dollars saved through increased Faculty Productivity in Kansas Post-Secondary Institutions. For further details on how these funds can be saved, please refer to the attached document entitled REDUCING THE COST OF POST-SECONDARY EDUCATION BY \$200 MILLION DOLLARS AND LOWERING PROPERTY TAXES BY \$200 MILLION DOLLARS PER YEAR.

3) The back page of this report also itemizes a total of \$34.9 Million Dollars in reduced spending from 5 improvements in the management of Kansas Community Colleges. Once implemented at the state level, this increase in faculty productivity and reduced overhead will lower property taxes an additional \$49.3 Million dollars.

THE TOTAL PROPERTY TAXES REDUCED BY THESE COMBINED ACTIONS WILL BE APPROXIMATELY \$322.4 MILLION. (Please refer to the chart entitled **\$322.4 MILLION PROPERTY TAX REDUCTION** for further details of the benefits from increased faculty productivity and reduced administrative costs.)

4) To achieve these savings, I recommend that under the Salary and Wages section for each Regents institution listed in HB-2086, that the following wording be inserted:

PROVIDED, THAT AN ENROLLMENT OF NOT LESS THAN 25 STUDENTS PER SECTION OF A COURSE OF INSTRUCTION SHALL BE REQUIRED BEFORE THE STATE OF KANSAS WILL PAY FOR ANY NEW SECTION OF THE SAME DAYTIME OR NIGHT COURSE AT THE SAME ATTENDANCE CENTER.

FURTHERMORE, NO KANSAS REGENTS INSTITUTION SHALL RECEIVE MORE THAN A TOTAL OF 20% OF THE DIRECT INSTRUCTIONAL COSTS FOR ITS ON AND OFF CAMPUS COURSES TO PAY ADMINISTRATIVE AND NON-INSTRUCTIONAL PERSONNEL.

For an analysis of the high cost of low faculty productivity, please refer to the two attached charts entitled **FACULTY**

PRODUCTIVITY and KANSAS EDUCATION \$/FTE. These data from the KDOE, Regents, Leg. Post Audit and Kansas Community Colleges show that K-12 teachers are three times more productive than Post-Secondary faculty. The taxpayers are also being charged 2.3 X's more to teach a FTE Community College student and 3.3 X's more to teach each FTE University student. Low faculty productivity and high administrative costs are running up the bill for Post-Secondary education in Kansas and do not reflect the actual costs to provide quality instruction.

5) When Medical Education is added to the cost of Post-Secondary Education, the taxpayers are asked to pay 18.9 X's more for each FTE medical student. This comparison can be seen in the second **KANSAS EDUCATION \$/FTE** bar graph.

The KU Medical Center receives more money to teach 700 medical students than the total funding for Wichita State University, Emporia State University, Fort Hays State University and Pittsburg State University combined. The 4,749 full and regular part-time positions for KU Med Center on Page 38, Line 5 of HB-2086 is more people on the payroll than authorized for the whole Kansas University campus (4451). All the Departments at Kansas State University also have a total of 502 fewer employees.

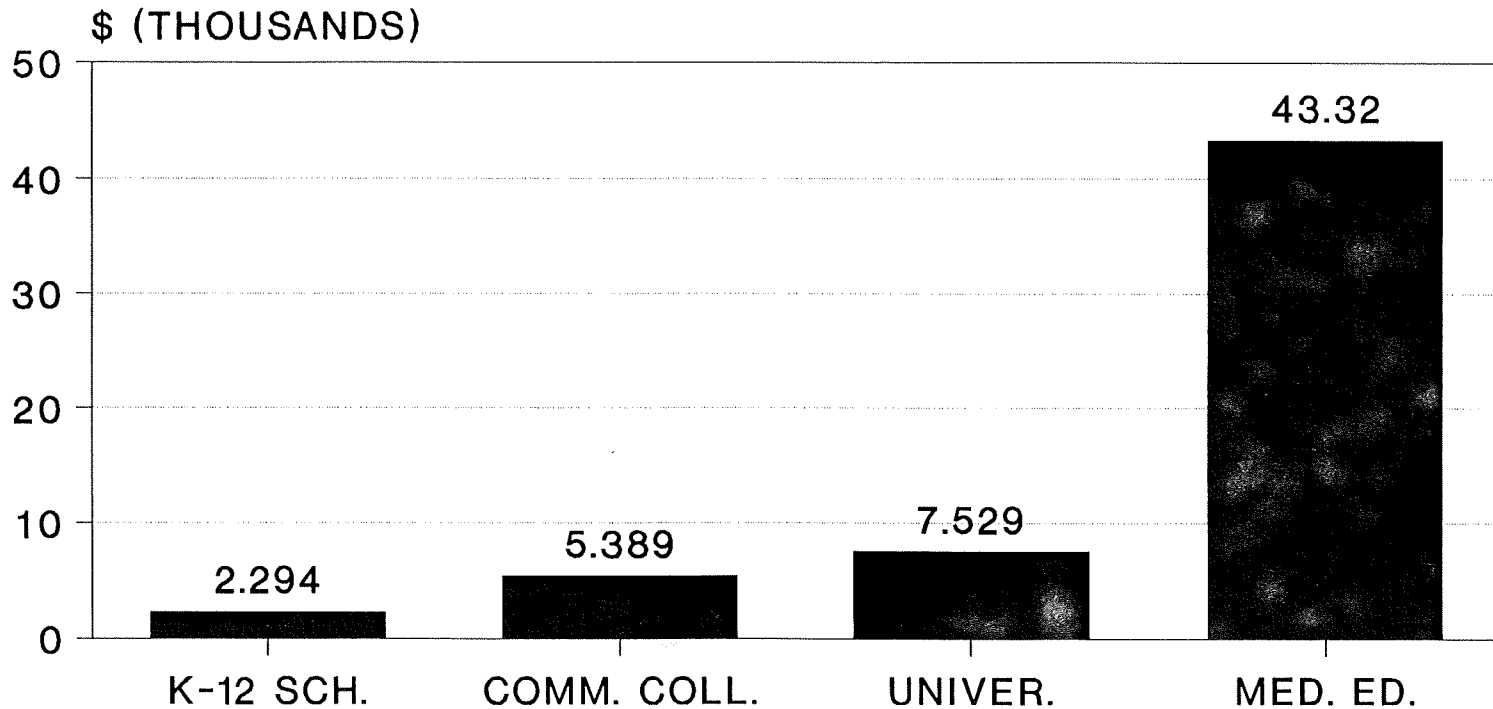
Even with these high costs and huge payrolls, only 28% of KU Medical Center graduates remain in Kansas to practice medicine. It is clearly time to take effective action to reverse this trend. Therefore, in addition to the Provisions on faculty productivity and reduced administrative costs, I recommend that the following wording be inserted under **UNIVERSITY OF KANSAS MEDICAL CENTER** Operating expenditures on Page 24, Line 27 of HB-2086:

PROVIDED THAT A FALL AND SPRING CLASS OF 175 MEDICAL STUDENTS EACH BE ADMITTED WITH PREFERENCE GIVEN TO THOSE APPLICANTS WHO PLAN TO REMAIN IN KANSAS TO PRACTICE MEDICINE.

I also recommend that the KU Medical Center be limited to a total expenditure of \$212 Million dollars and that the \$63 Million shown on Page 24, Line 27 be lowered to bring the overall total in balance. Since all the faculty and facilities are already paid for on an annual basis, the instructional costs to admit a second class of students will be negligible. (See the attached **MORE M.D.'S FOR KANSAS PLUS LOWER COSTS OF MEDICAL EDUCATION** for more details.)

More Junior and Senior year Clerkships need to be done in Regional Kansas Hospitals anyway. This expose to primary care medicine can be done at much less cost than the expensive tertiary care facilities at KU Med Center.

KANSAS EDUCATION \$/F.T.E. TAX DOLLARS TO EDUCATE 1 STUDENT



RISING COST OF HIGHER EDUCATION

■ \$/F.T.E.

SOURCE: KANSAS DOE, REGENTS & LEG. AUDIT

MORE M.D.'S FOR KANSAS PLUS LOWER COSTS OF MEDICAL EDUCATION

- A) MOST KU-MEDICAL CENTER GRADS LEAVE KANSAS
 - 1) Only 28% Medical Student's stay after graduation.
 - 2) Also, only 31% Nurses and 33% Allied Hlth remain.
- B) CRITICAL HEALTH CARE CRISIS IN RURAL KANSAS
 - 1) 4 Urban Counties have 59% of M.D.'s
 - 2) 33 Intermediate Counties have 33%
 - 3) 69 Rural Counties have 8% of Kansas M.D.'s
- C) MEDICAL EDUCATION IS FAR TOO EXPENSIVE
 - 1) The Cost/F.T.E. Medical Student is \$43,320/yr
 - 2) The Cost/F.T.E. University Student is \$7,529/yr
 - 3) The Cost/F.T.E. Comm. College Student is \$5,389/yr
- D) THE HIGH COST TO TRAIN 1 M.D. WHO STAYS
 - 1) Based on FY88 Medical Education costs of \$40.6 Million, it cost the Kansas Taxpayers \$776,348 to train one M. D. who stayed to practice.
 - 2) When all \$184 Million dollars in the FY88 are added, the cost per M.D. who stays is \$3.5 Million.
- ▶ • E) ACTION NEEDED TO GET MORE M.D. GRADS TO STAY
 - 1) Admit both a Fall and Spring class of 175 students.
 - 2) Include previous activities which show a desire to provide primary care in a rural or intermediate County area as the final Admissions Selection Criteria.
 - 3) Provide at least half of the clerkship training during the Junior and Senior years in rural County Hospitals. Let the students learn about the usual disease entities--not the exotic diseases they may seldom if ever see during their practice of Medicine.

Submitted By Dr. Walt Chappell (316)431-7920 3/90

REDUCING THE COST OF POST-SECONDARY EDUCATION BY \$200 MILLION DOLLARS
AND
LOWERING PROPERTY TAXES BY \$200 MILLION DOLLARS PER YEAR

Sixty (60%) of all taxes collected in Kansas are used to fund Education. Of this multibillion dollar annual investment, eighty (80%) of the costs of Education are for personnel.

It therefore seems obvious, that before efforts are made to increase any form of State sales or income taxes to off-set Local property taxes, the productivity of Education personnel must first be analyzed and improved where possible. Since Education in Kansas receives the largest share of tax expenditures, a few minor **ADJUSTMENTS IN THIS ONE BUDGET CATEGORY WILL SAVE MILLIONS OF DOLLARS AND ELIMINATE THE NEED TO INCREASE TAXES IN ANY FORM.**

The following recommendations are made to substantially increase the **QUALITY OF EDUCATION IN KANSAS** while **REDUCING THE COST TO THE TAXPAYERS BY OVER \$200 MILLION DOLLARS.** **THE SAVINGS IN STATE BUDGET SHOULD BE EARMARKED TO INCREASE THE STATE'S SHARE OF FUNDING TO K-12 SCHOOL DISTRICTS. THE LOCAL BOARDS OF EDUCATION WILL THEN BE ABLE TO REDUCE THEIR PROPERTY TAX MILLAGE BY \$200 MILLION DOLLARS.**

1) HOW TO IMPROVE HIGHER EDUCATION FACULTY PRODUCTIVITY:

The key to reducing the cost of Higher Education and improving quality is **INCREASED FACULTY PRODUCTIVITY.** There is little incentive for Kansas Community College or University Faculty to teach when their funding is based on how many credit hours the students take. For example, there now is no difference in funding whether there are 2,000 faculty or 1,000 teaching the same number of students.

Since 80% of Educational costs are for personnel, Kansas Taxpayers will never be able to keep State spending and tax increases under control with the present funding formula and lack of quality standards. **AS LONG AS FACULTY PRODUCTIVITY IS LOW--HIGHER EDUCATION COSTS WILL CONTINUE TO RAPIDLY RISE.**

HB-3101 was introduced late in the 1990 Legislative Session by the Appropriations Committee to help control this growing problem. It simply states that **SUCH RULES AND REGULATIONS SHALL INCLUDE THE REQUIREMENT OF AN ENROLLMENT OF NOT LESS THAN 25 STUDENTS PER SECTION OF A COURSE OF INSTRUCTION BEFORE A NEW SECTION OF THE SAME DAYTIME OR NIGHT COURSE MAY BE OPENED FOR ENROLLMENT AT THE SAME ATTENDANCE CENTER.**

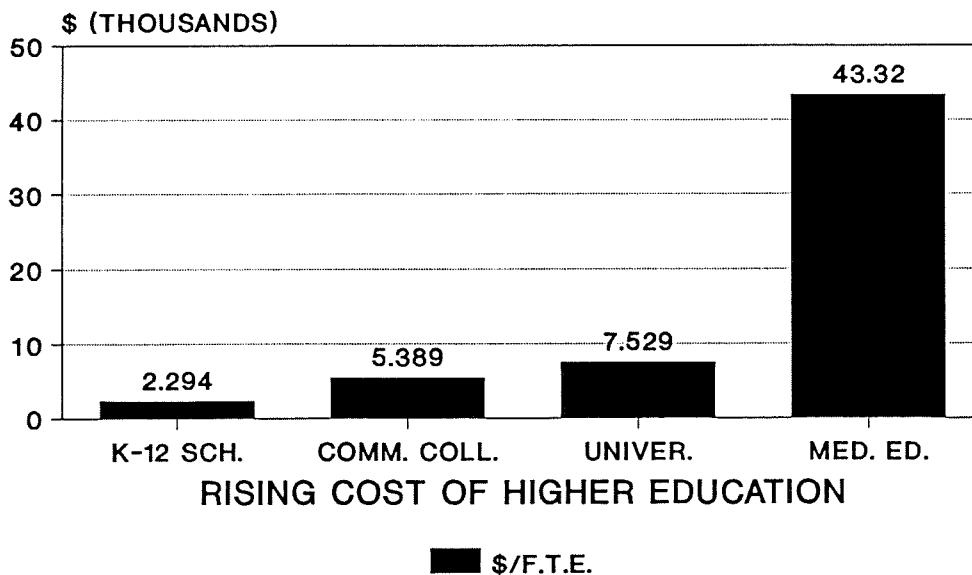
This sentence added to the State Department of Education and Board of Regents Regulations would specify how the State would allocate funds to all Post-Secondary Institutions. By this one measure, the State may SAVE APPROXIMATELY \$173 MILLION DOLLARS PER YEAR.

When a car has a tire blow out, everyone, including the driver can quickly see the problem. However, when Educational spending blows up, there are so many "facts and figures" thrown at the Legislature that it is hard to see the truth for all the numbers.

To get to **THE BOTTOM LINE**, it has taken several hundred hours of donated time during the past two years to analyze over two feet of reports and data from the Regents, State Dept. of Education plus individual Colleges and Universities. The following graphs illustrate just how far out of balance the productivity and costs of higher education have become.

As the **KANSAS EDUCATION \$/F.T.E.** bar graph shows, Kansas Community Colleges are charging the taxpayers **2.3 X'S MORE TO TEACH THAN K-12 SCHOOLS COST.** Likewise, the University Faculty are charging the taxpayers **3.3 X'S MORE TO TEACH EACH F.T.E. STUDENT.**

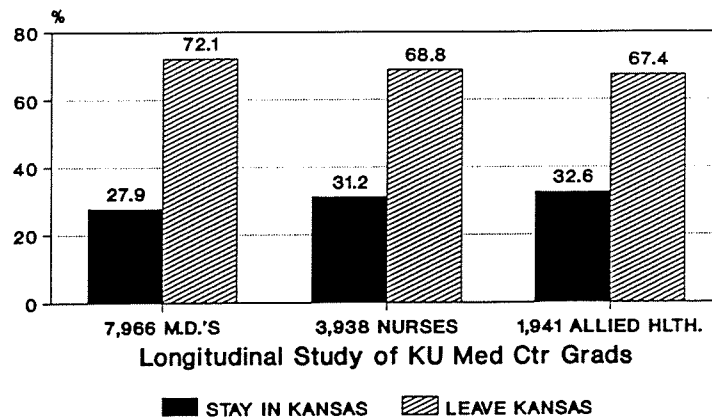
KANSAS EDUCATION \$/F.T.E. TAX DOLLARS TO EDUCATE 1 STUDENT



SOURCE: KANSAS DOE, REGENTS & LEG. AUDIT

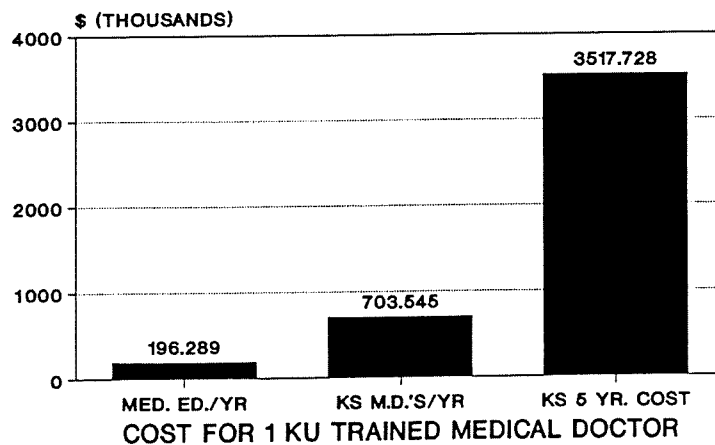
By comparison, the "costs" to Educate one Medical Student have risen out-of-sight. Just for the State General Fund expenses alone, the **KU MEDICAL CENTER CHARGES 18.9 X'S MORE PER YEAR THAN K-12 SCHOOL DISTRICTS.** This \$43,320 dollars per F.T.E. Medical student is **5.75 X'S HIGHER THAN UNIVERSITY COURSES WHICH ARE BASICALLY TAUGHT THE SAME FOR THE FIRST TWO YEARS OF MEDICAL SCHOOL.**

KU MED CENTER GRADS % WHO STAY IN KANSAS



SOURCE: KU MEDICAL CENTER 12/86 *PROFILE

TOTAL \$ TO EDUCATE 1 M.D. WHO STAYS IN KANSAS TO PRACTICE

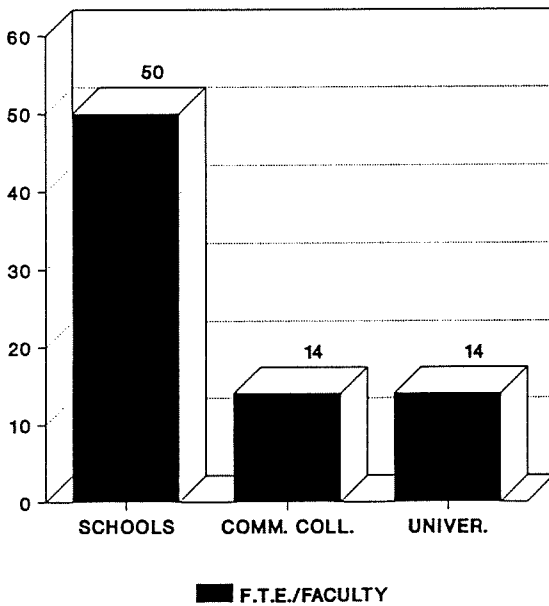


SOURCE: KANSAS B.O.R. & KU MED. CTR.

When the Total Costs from the whole medical school complex are included, **IT COSTS KANSANS \$3.5 MILLION DOLLARS FOR EACH MEDICAL STUDENT WHO STAYS IN KANSAS TO PRACTICE MEDICINE.** In fact, the actual amount spent in FY-88 to educate 700 Medical students was **\$20.9 MILLION DOLLARS MORE THAN THE TOTAL SPENT AT WSU, PSU, ESU AND EHS COMBINED.** (For suggestions on how to get more KU Medical Graduates to practice in Kansas at less cost, see the attached Medical Education Suggestions.)

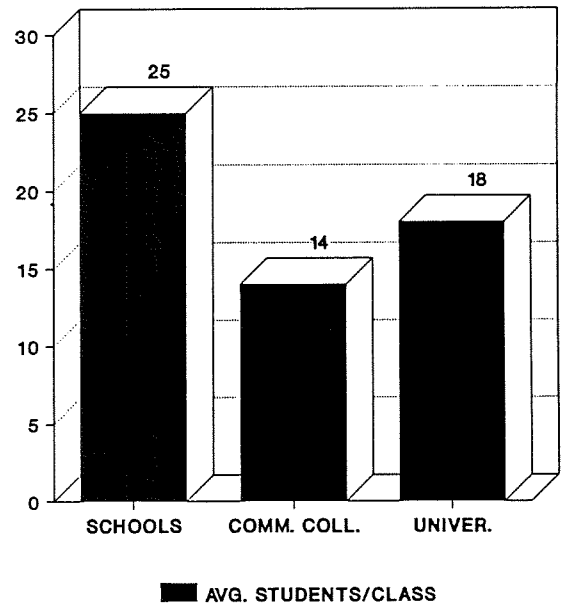
The main cause of high Post-Secondary Education costs is **LOW FACULTY PRODUCTIVITY.** As the **FACULTY PRODUCTIVITY** bar graph shows, **K-12 TEACHERS ARE 3.6 X'S MORE PRODUCTIVE THAN HIGHER EDUCATION FACULTY.** Putting more money into the Higher Education Appropriations bill will do little to improve quality as long as productivity is so low.

FACULTY PRODUCTIVITY
F.T.E. STUDENTS TAUGHT/FACULTY



SOURCE: KANSAS DOE, REGENTS & LEG. AUDIT

AVG. STUDENTS/CLASS
K-12 + COM. COLL. + UNIVER.



SOURCE: KANSAS DOE, REGENTS & LEG. AUDIT

As the **AVERAGE STUDENTS/CLASS** graph shows, Post-Secondary faculty in Kansas teach fewer students per class. They also teach fewer classes per semester. Consequently, all that expensive knowledge is going to a smaller number of students while higher education faculty salaries are increased each year.

1-15

The only reason we pay a person to teach is that we think they have some knowledge which a student can use. Unless that teacher is in contact with students, there is no transfer of knowledge from the paid faculty to the students.

The attached summary of the **F.T.E. FORMULA** gives a good description of how this one measure can cut through much of the smoke and mirrors surrounding education. It is like a banker's use of debt/equity ratios to qualify an applicant for a loan. How else can we be assured that our educational dollars are used effectively if we do not measure faculty productivity and the learning actually done in the classrooms we provide with our taxes?

Our State's multibillion dollar investment in education is to provide institutions where students can learn from faculty. If these paid faculty are sharing their expensive knowledge with just a few students, then much of our investment is lost.

All the clamor about the Legislature not providing enough funding for Higher Education is obviously without merit. **THE PROBLEM IS TOO MANY PAID FACULTY TEACHING TOO FEW STUDENTS.** If Post-Secondary faculty feel that there is not enough money in their paychecks, it is because too many of them are trying to drink from the same well--and the well only holds so much water.

By increasing the number of students taught per section of the same course, Kansans will automatically improve faculty productivity, and get more cost-effective use of their expensive teaching facilities. This measure will also improve the quality of education since there will be enough students per class to have lively discussions and interact with the faculty. More of these expensive faculty will actually be **IN THE CLASSROOMS--IN CONTACT WITH STUDENTS**--sharing their knowledge rather than have inexperienced and underpaid GTA's teach their classes for them.

Further study of Faculty Productivity is **NEEDED TO IDENTIFY WHAT EXCEPTIONS SHOULD BE INCLUDED IN THE 25 STUDENTS PER SECTION REGULATION.** The Study should also identify **ADDITIONAL FINANCIAL SAVINGS TO THE STATE GENERAL FUND.**

When the Legislative Educational Planning Committee asked in December 1989 what impact 25 students per section would have, the data in the Regents' response was only for Type 0 Courses such as Lectures and Seminars. It showed that **THE PERCENTAGE OF TYPE 0 SECTIONS WITH FEWER THAN 25 STUDENTS IS QUITE LARGE. FOR EXAMPLE, KU=29%, KSU=14%, WSU=15.5%, ESU=31%, PSU=21%, AND FHSU=5.5%.**

The average was 21% of the Lecture and Seminar Sections with fewer than 25 students. These Type 0 Courses represent only 46% of all the Sections taught during Fall, 1989. A rough translation to instructional costs shows that the State may save **\$49.4 MILLION ON THESE TYPE 0 COURSES** by implementing the Regulation of 25 students per Section. For the remaining 10,339 Sections not included in the Regent's Response to the LEPC, there may be an **ADDITIONAL \$108 MILLION DOLLAR SAVINGS.**

Improved Faculty Productivity in Kansas **COMMUNITY COLLEGES MAY ADD ANOTHER \$48.2 MILLION COMBINED TAX DOLLARS SAVINGS** to State funds and local property taxpayers. As much as 1/3rd of the Community College credit hours paid for now are taught by Part-Time, "Adjunct" Faculty who teach sections which Full-Time Faculty have already been paid to teach.

The **TOTAL COMBINED STATE AND LOCAL SAVINGS FROM INCREASED POST-SECONDARY FACULTY PRODUCTIVITY MAY BE \$205.6 MILLION TAX DOLLARS.** THESE SAVINGS CAN THEN BE PASSED ON TO OFF-SET PROPERTY TAXES. THE REMAINING \$5.6 MILLION DOLLARS SAVED SHOULD BE PAID TO K-12 AND POST-SECONDARY FACULTY WHO EXCEL IN THE CLASSROOM.

2) A NEW HIGHER EDUCATION FUNDING FORMULA FOR KANSAS:

Since Faculty Productivity has such a major impact on Educational Costs, **THE STATE OF KANSAS SHOULD FUND POST-SECONDARY INSTITUTIONS BASED ON ACTUAL FY-89 COSTS TO EDUCATE 25 STUDENTS PER COURSE SECTION IN EACH ACADEMIC DEPARTMENT AT EACH UNIVERSITY, COMMUNITY COLLEGE AND TRADE SCHOOL.**

This formula would replace the credit-hour and 5% increase in Faculty salary formulas currently used to fund the Community Colleges and Universities. By combining both the 25 students per Section with the costs to educate these Students, the State will build in a self-regulating system of checks and balances which will help keep Higher Education costs in line with enrollment and the actual cost of instruction.

The current Higher Education funding methods give little indication of true costs of instruction. They are more a reflection of how many Faculty and Administrators have been hired and how politically successful they have been in persuading the Board of Regents AND Legislature that they "deserve" another increase in their salary.

With the new funding formula, the Administrators of Higher Education would have some leverage to prune much of the dead-wood which has been allowed to stay in our Post-Secondary faculty. As

long as the State Budget always includes automatic pay increases each year, these Administrators have no incentive to become more cost-effective.

However, with this Funding formula based on Faculty Productivity and actual instructional costs, Higher Education Administrators will have a self-regulating budget with teeth to do the job they are hired to do--manage the public's tax dollars to get the most quality education for the most students for the least cost!! The way the current formula works, it encourages these Administrators to keep the most faculty who teach the fewest students possible at the highest salary the Legislature will fund.

THE NEW HIGHER EDUCATION FUNDING FORMULA WILL BE A MAJOR STEP FORWARD IN CONTROLLING REPEATED INCREASES IN THE HIGHER EDUCATION APPROPRIATIONS BILL.

For example, the Actual Expenditures for FY-88 were \$710.3 Million Dollars. The Higher Education Appropriation for FY-91 was nearly \$905 Million dollars. **THIS IS AN INCREASE OF 27% IN JUST THREE SHORT YEARS.** For some of the Universities, their increase during those same three years is 35%. **HOW MUCH LONGER CAN THE STATE AFFORD TO PAY THESE LARGE INCREASES??**

3) ADDITIONAL SAVINGS IN THE POST-SECONDARY BUDGET FOR FY-1992:

A) RAISE THE MINIMUM COMMUNITY COLLEGE TUITION TO \$24 PER CREDIT HOUR. Based on a 5% increase in Credit Hour production per year, **TUITION AT \$24/CR.HR. WILL PROVIDE \$2.7 MILLION MORE REVENUE THAN THE CURRENT TUITION AVERAGE OF \$18/CR.HR.** This amount is \$865,482 more than the Senate Committee recommended for FY91 Community College Credit Hour Aid and the Out-District State Aid Supplemental Appropriation for FY90.

B) DELETE THE \$7,127,578 IN ANCILLARY CREDIT HOUR STATE AID FOR COMMUNITY COLLEGES. This Line Item was inserted in the FY90 budget at the last of the 1989 Session rather than pass the requested 5 year increase of up to 40% for State Aid to Community Colleges. Putting this Line Item back in the FY91 budget was an attempt to ask the Legislature to approve an increase most have already agreed is not feasible. The revenue to Community Colleges from tuition, Credit Hour State Aid and Out-District Aid is already increased by 5% per year.

Adding Ancillary Aid is a duplication. There certainly are not 113% more costs over the \$3.34 Million appropriated for Ancillary Aid in FY91 given the extremely low productivity of our Community College Faculty. Class size could double without significantly increasing

instructional costs at Kansas Community Colleges. THE TAXPAYERS NEED THAT \$7.13 MILLION DOLLARS ELSEWHERE.

C) DELETE \$80.82 MILLION DOLLARS FROM THE REGENTS BUDGET REQUEST. The Higher Education budget has increased an average of 27% in just 3 years. The range of increase is from 18% to a staggering 35% over FY88 actual University expenditures. Enrollments have not increased this much.

Instead of the increase requested by the Regents, grant a 15% increase in appropriations over the FY89 actual expenses for each Regents institution. Then place a **TWO YEAR BUDGET LID ON ALL REGENTS UNIVERSITIES BASED ON THIS FY91 ADJUSTED TOTAL OF \$890.4 MILLION DOLLARS.** The savings to the Universities from the new Higher Education Funding Formula and the 25 Students per Section will more than off-set any reduction in State Funds.

4) MAKE A \$455,000 SUPPLEMENTAL APPROPRIATION TO THE DEPARTMENT OF EDUCATION FY91 BUDGET TO DEVELOP AND PREPARE TO IMPLEMENT A COMPREHENSIVE, COMPETENCY BASED EXAM which will be ready to be administered to all 6th, 9th and 12th grade students by November, 1992. This small investment will start giving parents, students, teachers, Legislators and taxpayers a much better idea of how well our schools are preparing our kids for the 1990's and how best to manage future education budgets. This special appropriation should also be used to train Master Teachers to work with Schools scoring in the bottom 33% of the Competency Tests plus develop a Equal Educational Opportunity Funding Formula which will allow every student in Kansas to have equal learning resources--regardless of which school he or she attends. (SEE ATTACHED PLAN FOR THE 1990'S TO IMPROVE K-12 EDUCATION FOR LESS COST.)

5) WHO IS MAKING THESE RECOMMENDATIONS? Dr. Walt Chappell earned his Ph.D. from Michigan State University in Instructional Systems Design in 1970. He designed a **PREDICTIVE COST MODEL OF INSTRUCTION** at Big Ten Universities for his Doctoral Dissertation. He has served on the Faculty at Kansas State University and was an Administrator at the University of Iowa. For the past 25 years, he has worked with all phases of Education--particularly budgets, planning and resource allocation. He has completed projects in 16 States involving Local, State and Federal Educational agencies. He has also served as an elected School Board Member and Budget Committee Chairman. YOUR THOUGHTFUL CONSIDERATION AND SUPPORT OF THESE RECOMMENDATIONS WILL BENEFIT THOUSANDS OF KANSAS STUDENTS PLUS RESIDENTIAL AND COMMERCIAL TAXPAYERS. (You may contact Dr. Chappell @ Box 712, Chanute, KS 66720--(316)431-7920.)

12/18/90

THE F.T.E. FORMULA

A FAIR MEASURE OF FACULTY PRODUCTIVITY

- A) HOW THE FULL TIME EQUIVALENT FORMULA WORKS:
 - 1) 15 FACULTY CONTACT HRS/WK = 15 CREDIT HRS.
 - 2) SO, 15 STUDENTS IN CLASS 1 HR/WK = 1 FULL TIME EQUIVALENT (F.T.E.) STUDENT

- B) HOW PRODUCTIVE ARE KANSAS K-12 TEACHERS? ◀
 - 1) (25 STUDENTS/CLASS) X (6 CLASSES/DAY) X (5 DAYS/WEEK EACH CLASS) = 750 CREDIT HRS.
 - 2) (750 CRED. HRS./K-12 TEACHER) / 15 CRED. HRS. = 50 FULL TIME EQUIVALENT STUDENTS/TEACHER

- C) BY COMPARISON, WHAT IS THE CURRENT PRODUCTIVITY OF KANSAS COMMUNITY COLLEGE AND UNIVERSITY FACULTY?
 - 1) ACCORDING TO THE 1988 SURVEY DONE BY THE KANSAS DEPARTMENT OF EDUCATION---EACH FACULTY IN THE 19 COMMUNITY COLLEGES ◀ TEACHES ONLY (14.3 F.T.E.) STUDENTS.

 - 2) LIKewise, THE STATE BOARD OF REGENTS CONFIRMED IN 1989 THAT UNIVERSITY FACULTY ◀ IN KANSAS TEACH ONLY (13.8 F.T.E.) STUDENTS AS WELL.

 - 3) THIS LOW REGENTS FACULTY PRODUCTIVITY WAS FIRST REPORTED BY A LEGISLATIVE POST AUDIT DONE IN 1985.

- ▶ • D) WITHOUT F.T.E. STANDARDS, KANSANS HAVE NO WAY TO MEASURE THE EFFECTIVENESS OF OUR MULTIBILLION DOLLAR INVESTMENT IN EDUCATION.

MORE M.D.'S FOR KANSAS PLUS LOWER COSTS OF MEDICAL EDUCATION

- A) MOST KU-MEDICAL CENTER GRADS LEAVE KANSAS
 - 1) Only 28% Medical Student's stay after graduation.
 - 2) Also, only 31% Nurses and 33% Allied Hlth remain.
- B) CRITICAL HEALTH CARE CRISIS IN RURAL KANSAS
 - 1) 4 Urban Counties have 59% of M.D.'s
 - 2) 33 Intermediate Counties have 33%
 - 3) 69 Rural Counties have 8% of Kansas M.D.'s
- C) MEDICAL EDUCATION IS FAR TOO EXPENSIVE
 - 1) The Cost/F.T.E. Medical Student is \$43,320/yr
 - 2) The Cost/F.T.E. University Student is \$7,529/yr
 - 3) The Cost/F.T.E. Comm. College Student is \$5,389/yr
- D) THE HIGH COST TO TRAIN 1 M.D. WHO STAYS
 - 1) Based on FY88 Medical Education costs of \$40.6 Million, it cost the Kansas Taxpayers \$776,348 to train one M. D. who stayed to practice.
 - 2) When all \$184 Million dollars in the FY88 are added, the cost per M.D. who stays is \$3.5 Million.
- ▶ • E) ACTION NEEDED TO GET MORE M.D. GRADS TO STAY
 - 1) Admit both a Fall and Spring class of 175 students.
 - 2) Include previous activities which show a desire to provide primary care in a rural or intermediate County area as the final Admissions Selection Criteria.
 - 3) Provide at least half of the clerkship training during the Junior and Senior years in rural County Hospitals. Let the students learn about the usual disease entities--not the exotic diseases they may seldom if ever see during their practice of Medicine.

Submitted By Dr. Walt Chappell (316)431-7920 3/90

A PLAN FOR THE 1990'S TO IMPROVE K-12 EDUCATION FOR LESS COST

Most Kansans send their kids to school for 13 years and the **STATE NOW PAYS NEARLY \$1 BILLION DOLLARS A YEAR TO "EDUCATE" THEM.** In addition, Kansas taxpayers pay nearly **60% OF THEIR LOCAL PROPERTY TAXES TO "EDUCATE" THEIR KIDS.**

Unfortunately, no one has a clear idea of what these kids are to learn during those 13 years let alone how much it should cost to learn that knowledge and acquire those skills. We also have little idea of how best to teach our kids and prepare them for the challenges of the 21st Century.

Therefore, to start building quality, cost-effectiveness and competency into our K-12 public schools, the following recommendations are made for inclusion in the 1990-91 Kansas Department of Education budget.

- ▶ 1) Funds should be specified in the Department of Education budget to **DEVELOP MINIMUM COMPETENCY STANDARDS AND EXAMS** for Grades 6, 9 and 12 in job related and life skills using Math, Science, Language, Communications, Negotiations and Social Studies concepts.

\$250,000

- ▶ 2) Develop a **FINANCIAL "BONUS" FORMULA** for those schools whose Competency Test Scores are in the top 10% of all Kansas schools at that Grade level.

\$20,000

- ▶ 3) Select and train **SPECIAL CONSULTANTS TO WORK AS MASTER TEACHERS** in those schools in the bottom 33% of all schools tested in each of the three grade levels.

\$100,000

- ▶ 4) Form a **STATE CURRICULUM STEERING COMMITTEE** to coordinate all aspects of the Basic Competency testing.

\$20,000

- ▶ 5) Develop an **EQUAL EDUCATIONAL OPPORTUNITY FORMULA** for State Sales, Income and Property Taxes so that every school in Kansas receives an equal amount of money per pupil.

\$50,000

- ▶ 6) Fund an **ANALYSIS BY BUSINESS AND INDUSTRIAL LEADERS** of funding needs to update shop, computer and science equipment at the 7th-12th grade levels to prepare our students for the 21st Century.

\$15,000

- ▶ 7) **TOTAL INVESTMENT TO IMPROVE THE QUALITY AND COST-EFFECTIVENESS OF KANSAS K-12 EDUCATION = \$455,000.**

Respectfully Submitted,

Walt Chappell

Walt Chappell, Ph.D.

Box 712

Chanute, Ks. 66720

(316)431-7920

3/16/90

SUMMARY OF ESTIMATED POST-SECONDARY COST SAVINGS FOR FY91 AND FY92

ITEM	EST. SAVINGS (IN MILLIONS)			
	FY91		FY92	
	STATE	LOCAL	STATE	LOCAL
1) Increased Regents Faculty Productivity in Type "0" Courses	\$49.4*	0	\$49.4*	0
2) Increased Regents Faculty Productivity in Remaining Courses	108.0*	0	108.0*	0
3) Reduction of Regents Budget Request to 15% of FY89 Adjusted Base	0	0	80.8	0
4) Increased Community College Full-Time Faculty Productivity	9.4*	19.7*	9.4*	19.7*
5) Eliminate Duplicate Courses Taught By Adjunct Community College Faculty	6.2*	12.9*	6.2*	12.9*
6) Reduce Community College Admin. Expenses From 40% to 20%	0	0	6.6	13.9
7) Increased Revenue To Comm. Colleges By Raising Min. Tuition To \$24/Cr.Hr.	0	2.7	0	2.8
8) Delete Ancillary Credit Hour State Aid For Community Colleges	7.1	0	11.6	0
9) Eliminate Out-District State Aid For Community Colleges Once New Funding Formula Is Established	0	0	9.4	0
10) Supplemental Appropriations To Develop Competency Based Exam And New School Finance Funding Formula	-.5	0	-.5	0
SUBTOTAL OF ESTIMATED SAVINGS	179.6	35.3	280.9	49.3
COMBINED TOTAL ESTIMATED SAVINGS	\$214.9		\$330.2	

--NOTE: (*) indicates Faculty Productivity Savings.

--Respectfully Submitted by Dr. Walt Chappell on 12/18/90. For further clarification contact Dr. Chappell at (316)431-7920.

JUSTIFICATION FOR MOVING THE PUBLIC BROADCASTING COMMISSION TO
THE KANSAS BOARD OF REGENTS

Public funding for television broadcasting is currently divided between the Public Broadcasting Commission, which provides operating grants to public television stations, and Regents institutions, which support a variety of television facilities on their campuses, including cable stations, a satellite uplink, and Instructional Television Fixed Services. Funding all forms of public broadcasting through the Board of Regents could consolidate this function under one agency and could result in several benefits to the state.

1. Goals for public funding of television could be established and funding could be used to achieve these goals. Cable television in urban areas now provides programming once available only on public broadcasting stations, while rural areas still depend on public broadcasting as the only alternative to the major commercial networks. At the same time, Regents institutions are increasing their use of media to deliver both credit and noncredit instruction. These environmental changes have occurred without concurrent examination of the public funding of these facilities. What should the state expect from its investment? By consolidating funding under the Board of Regents, mutually reinforcing goals and objectives for public broadcasting and institutionally-based educational broadcasting could be facilitated, insuring the public that its investment in these resources returns maximum benefits.

2. Technical expertise could be shared. The experiences and strengths of personnel in public television and institutionally-based broadcasting facilities vary. Under current funding patterns, there are few incentives for cooperative problem solving. If all of these facilities were funded under the Board of Regents, interactions among personnel at these facilities would increase, creating more informal, collegial, and reciprocating relationships than exist today.

3. Facilities could be linked. Currently, there is little, if any, collaboration or connection between public television and broadcasting facilities at Regents institutions. In 1988, the Regents Technical Issues Subcommittee recommended greater interconnection among public television stations and broadcasting facilities at Regents institutions. By working together, statewide programming could be offered. For example, KTWU coverage of events at the Statehouse could be broadcast to the Regents Educational Communications Center and uplinked to all public television stations, Regents institutions, and public schools with downlinks, thereby providing statewide coverage of government activities.

SWAM
February 23, 1991
Attachment 2

4. Regents institutions could provide new programming opportunities for public television stations. The educational, cultural, and public service resources at Regents institutions could expand the program repertoire of public television stations. For example, interviews with subject matter experts could enrich news programs and provide background to broadcasts of cultural events. With proper licensing arrangements, concerts and theatrical events at Regents institutions could be broadcast to audiences across the state.

2/20/91

SUBCOMMITTEE REPORT

Agency: Department of Education

Bill No.

Bill Sec.

Analyst: Rampey

Analysis Pg. No. 287

Budget Page No. 178

<u>Expenditure Summary</u>	<u>Agency Req. FY 91</u>	<u>Gov. Rec. FY 91</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 13,135,392	\$ 15,975,518	\$ 243,275
Aid to Local Units	1,093,311,829	1,096,417,364	411,815
Other Assistance	26,082,220	26,082,220	--
Total	\$ 1,132,529,441	\$ 1,138,475,102	\$ 655,090
State General Fund:			
State Operations	\$ 5,356,208	\$ 5,228,047	\$ 61,150
Aid to Local Units	987,898,829	991,004,364	411,815
Other Assistance	117,220	117,220	--
Total	\$ 993,372,257	\$ 996,349,631	\$ 472,965
FTE Positions	192.0	192.0	--

Agency Request/Governor's Recommendation

FY 1991. For FY 1991, the Board of Education is requesting State General Fund supplemental appropriations totaling \$67,509 and expenditure limitation increases of \$12,631. The State General Fund amount requested is offset by an anticipated lapse of \$56,896 in Washburn University out-district state aid as the result of credit hours generated being less than expected. In addition, the Board is requesting an expenditure limitation increase of \$12,631 on the Proprietary School Fee Fund to pay the retirement entitlement of an employee who has retired. Finally, the Board would like to shift \$93,734 from the State General Fund appropriation for Human Sexuality and AIDS Education to its operating budget to replace the amount of money lost for salaries and other operating expenses due to the 1.75 percent reduction imposed by the 1990 Legislature.

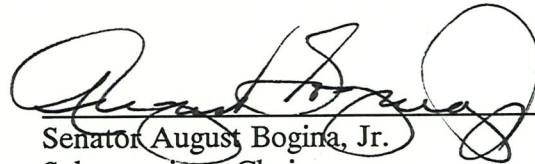
For FY 1991, the Governor recommends a State General Fund supplemental appropriation of \$31,500 for salaries (not \$67,509, as requested), and a supplemental appropriation of \$1,429,537 for special education. The Governor does not recommend the transfer of \$93,734 to agency operations from the Human Sexuality -- AIDS Education program. The Governor approves the expenditure limitation increase of \$12,631 on the Proprietary School Fee Fund for a retirement entitlement. The Governor concurs with the State Board's estimate to lapse \$56,896 in Washburn University out-district state aid and recommends a lapse of \$354,919 in school district transportation.

Senate Subcommittee Recommendations

The Subcommittee concurs with the Governor, with the following exceptions:

*SWAM
February 25, 1991
Attachment 3*

1. Add \$95,769 for agency operations, of which \$61,150 would be from the State General Fund and \$34,619 would be from federal and other funds. Of the \$61,150 from the State General Fund, \$8,150 would be for salaries to meet a matching requirement for federal vocational education funds and \$53,000 would be for other operating expenditures.
2. Add \$147,506 from federal and other funds for salaries. The \$147,506 is the amount of money deleted by the Governor for shrinkage in FY 1991 that is not from the State General Fund. It is the Subcommittee's opinion that the State Department should be allowed to spend money it has already received from federal and other sources.
3. Concur with the Governor concerning a reduction of \$354,919 in school district transportation and a reduction of \$56,896 in Washburn University out-district state aid and add the amount of those reductions (\$411,815) to special education, for a total of \$125,568,963.



Senator August Bogina, Jr.
Subcommittee Chair




Senator Frank Gaines



Senator Joe Harder



Senator Nancy Parrish



Senator Wint Winter, Jr.

SUBCOMMITTEE REPORT

Agency: Department of Education Bill No. 70 Bill Sec. 2
 Analyst: Rampey Analysis Pg. No. 287 Budget Page No. 178

<u>Expenditure Summary</u>	<u>Agency Req. FY 92</u>	<u>Gov. Rec. FY 92*</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 13,255,405	\$ 15,636,826	\$ 271,138
Aid to Local Units	1,225,096,540	1,366,438,879	(289,492,922)
Other Assistance	30,390,486	30,390,486	--
Total	<u><u>\$ 1,268,742,431</u></u>	<u><u>\$ 1,412,466,191</u></u>	<u><u>\$ (289,221,784)</u></u>
State General Fund:			
State Operations	\$ 6,059,746	\$ 5,616,442	\$ 81,229
Aid to Local Units	1,113,811,540	1,257,153,879	(292,462,922)
Other Assistance	110,486	135,486	--
Total	<u><u>\$ 1,119,981,772</u></u>	<u><u>\$ 1,262,905,807</u></u>	<u><u>\$ (292,381,693)</u></u>
FTE Positions	196.0	193.0	--

* Excludes amounts reserved for employee compensation.

Agency Request/Governor's Recommendation

FY 1992. For FY 1992, the State Board of Education requests 4.0 FTE new positions and the continuation of the math and reading assessment program begun in FY 1991. In FY 1992, the Board proposes to begin the renovation of its office, paying for the renovation through increased rent. The overall cost of the project is estimated to be \$1,126,126 over a ten-year period. Major state aid programs include general aid to school districts, for which \$614,770,000 is requested, an increase of \$68,850,000 over the \$545,920,000 appropriated for the current year. An amount of \$159,244,530 is requested to fund special education excess costs at the 95 percent level, based on new special education estimates made after the budget was submitted. School district transportation aid requested totals \$52,567,109, which would fund the transportation formula at the 96 percent level. (That estimate also has been revised since the budget was submitted.)

The Governor recommends the addition of 1.0 FTE new position, approves the continuation of the math and reading assessment program, and approves the renovation of the State Department's office. Under the Governor's current resources budget, aid programs funded from the State General Fund total \$981,565,833, which is \$9.4 million less than the Governor's recommendation for the current year. The Governor's recommendations based on additional revenues total \$1,257,153,879 for aid programs funded from the State General Fund, an increase of \$266.1 million over her recommendations for the current year. Included in the increase is \$70.0 million for a new program to distribute aid to school districts through the School District Local Ad Valorem Tax Reduction Fund. General aid to schools is increased by \$161.0 million to \$706,920,000. Special

education is funded at \$128,382,160, an increase of \$1,795,475 over the current year and reflects the Governor's policy to fund an increase each year based on the overall increase in school district budgets, not a percentage of special education excess costs. School district transportation is funded at 100 percent of the formula.

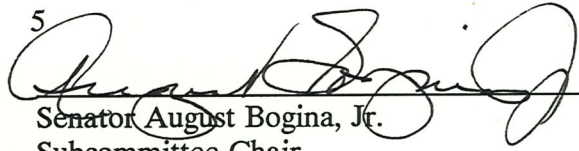
Senate Subcommittee Recommendations

The Subcommittee concurs with the recommendations of the Governor, with the following exceptions:

1. Add a total of \$146,024 for agency operations, of which \$81,229 is from the State General Fund and \$64,795 is from federal and other funds. Part of the State General Fund amount (\$4,252 for salaries and \$26,977 for other operating expenses) is to meet a required match for federal vocational education funds.
2. Add \$125,114 from federal and other funds for salaries. The \$125,114 is the amount of money deleted by the Governor for shrinkage in FY 1992 that is not from the State General Fund.
3. Do not impose a position limitation on the State Department of Education. The agency would continue to report the number of positions it employees and the Legislature would continue to monitor the State Department's growth. Within the limits of the amount appropriated for salaries each year, the State Department would determine the position it believes are necessary to accomplish its functions.
4. Delete \$174,620,000 from the State General Fund in general aid to schools, for a total of \$532.3 million. The amount is a reduction of \$13,620,000 (2.5 percent) from the current year.
5. Recommend the introduction of legislation to distribute \$185.0 million from the income tax rebate for FY 1992 only. The amount is a reduction of \$18.9 million from the consensus estimate for the rebate in FY 1992 and a reduction of \$4,720,000 (2.5 percent) from the revised estimate for the current year.
6. Delete \$70.0 million from the State General Fund for the School District Ad Valorem Tax Reduction Fund, a new program recommended by the Governor for FY 1992.
7. Delete \$538,710 from the State General Fund for the Fort Leavenworth School District, for a total of \$1,524,954. The amount is the same as for the current year and is traditionally adjusted in the Omnibus Bill to reflect policy concerning general aid to schools.
8. Delete \$9,126,052 from the State General Fund for school district transportation, for a total of \$45.0 million. The amount is a reduction of \$2,260,216 (4.8 percent) from the Subcommittee's recommendation for the current year.

9. Delete \$6,332,160 from the State General Fund for special education, for a total of \$122.5 million. The amount is a reduction of \$3,068,963 (2.4 percent) from the Subcommittee's recommendation for the current year.
10. Delete \$39,500 from the State General Fund for bilingual education, for a total of \$550,000. The amount is a reduction of \$39,500 (6.7 percent) from the current year.
11. Add \$1.0 million from the State General Fund for inservice education, for a total of \$2.0 million. The amount is an increase of \$1,006,625 (114.3 percent) over the current year. The Subcommittee expects that, in approving programs for inservice education grants, the State Board will place a priority on programs that relate to outcomes based accreditation.
12. Delete all funding from the State General Fund (\$500,000) for the human sexuality-AIDS program. The Subcommittee thinks these programs are now in place at the school district level and can be offered without continued direct support from the state.
13. Delete \$1.5 million from the State General Fund for at-risk and innovative program assistance and add \$1.0 million from the EDIF, for a total of \$2.0 million. The total is a reduction of \$424,625 from the current year (\$2,424,625), of which \$1.0 million was funded from the EDIF. The \$424,625 reduction is a 29.8 percent reduction in funding from the State General Fund.
14. Delete \$400,192 from the State General Fund for area vocational school aid, for a total of \$8,003,811. That amount is the same as the current year.
15. Delete \$1,031,624 from the State General Fund for postsecondary area vocational school aid and add \$1.0 million from the EDIF, for a total of \$14,755,000. The total is an increase of \$1.0 million (7.3 percent) over the current year.
16. Delete \$1.0 million from the State General Fund for vocational education capital outlay aid and replace it with \$1.0 million from the EDIF. The total is an increase of \$400,000 (66.7 percent) over the current year, the funding for which is also from the EDIF.
17. Delete \$3,434,296 from the State General Fund for community college credit hour aid, for a total of \$30.0 million. The amount is a reduction of \$1,021,129 (3.3 percent) from the current year.
18. Delete \$104,361 from the State General Fund for community college ancillary credit hour aid, for a total of \$3,180,000. The amount is a reduction of \$104,361 (3.2 percent) from the current year.
19. Delete \$5,490,606 from the State General Fund for community college out-district state aid, for a total of \$9,100,000. The amount is a reduction of \$238,953 (2.6 percent) from the current year.

20. Add \$7,000 from the State General Fund for community college state general aid, for a total of \$400,000. The amount is an increase of \$7,000 (1.8 percent) over the current year.
21. Delete \$103,136 from the State General Fund for Washburn University credit hour state aid, for a total of \$3.6 million. The amount is a reduction of \$103,136 (2.8 percent) from the current year.
22. Delete \$416 from the State General Fund for Washburn University out-district state aid, for a total of \$667,000. The amount is a reduction of \$416 (0.1 percent) from the current year.
23. Delete \$1,124,061 from the State General Fund for the Washburn University operating grant, for a total of \$1.6 million. The amount is a reduction of \$62,672 (3.8 percent) from the current year.
24. Add \$800,000 from the State General Fund for the parent education program. The amount is an increase of \$1,017,500 (103.6 percent) over the current year.
25. Delete all funding (\$25,000 from the State General Fund) for the Dodge City Cultural Heritage Center.
26. Delete all funding (\$30,000 from the Energy Grants Management Fund) for the Kansas Foundation for Agriculture.
27. Recommend the introduction of legislation to amend K.S.A. 72-4431 to reduce the state's portion of area vocational school postsecondary aid from 85 percent of the local cost per hour to 80 percent. Postsecondary vocational education students would pay the remaining 20 percent in the form of student tuition.
28. Recommend the introduction of legislation relating to community colleges and Washburn University to require that there be at least 20 students in a section of a course before a new section of the same course may be opened for enrollment.
29. Recommend the introduction of legislation relating to community colleges and Washburn University to provide that no state aid can be used for administrative expenses that exceed 20 percent of the general fund operating budget of a community colleges or the education and general portion of the general fund budget of Washburn University.



Senator August Bogina, Jr.
Subcommittee Chair



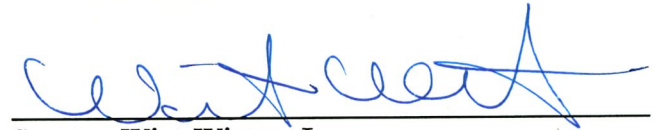
Senator Frank Gaines



Senator Joe Harder



Senator Nancy Parrish



Senator Wint Winter, Jr.

Department of Education FY 1992 State General Fund Aid and Other Assistance

State Aid	Actual FY 1990	Revised FY 1991	Subcommittee FY 1991	Subcommittee FY 1992	Difference Subcommittee FY 91 and FY 92
General State Aid	\$539,091,257	\$545,920,000	\$545,920,000	\$532,300,000	(\$13,620,000)
SDIT Refund	167,273,698	189,720,000	189,720,000	185,000,000	(4,720,000)
SDAVTR Fund	0	0	0	0	0
Fort Leavenworth	1,455,150	1,524,954	1,524,954	1,524,954	0
Transportation Aid	44,488,678	47,615,135	47,260,216	45,000,000	(2,260,216)
Special Education Aid	113,643,059	125,157,148	125,568,963	122,500,000	(3,068,963)
School Food Assistance	2,510,486	2,466,552	2,466,552	2,510,486	43,934
Bilingual Education Aid	599,123	589,500	589,500	550,000	(39,500)
Inservice Education Aid	916,391	933,375	933,375	2,000,000	1,066,625
Educable Deaf/Blind Aid	85,000	83,513	83,513	85,000	1,487
Human Sexuality/AIDS Educ.	1,497,466	1,473,750	1,473,750	0	(1,473,750)
At Risk/Innov. Program	2,249,790	1,424,625	1,424,625	1,000,000	(424,625)
AVTS - Basic Aid	7,758,449	8,003,811	8,003,811	8,003,811	0
AVTS - Postsecondary Aid	14,214,765	13,755,000	13,755,000	13,755,000	0
Voc. Educ. Capital Outlay	1,000,000	0	0	0	0
Comm. College Credit Hr. Aid	29,495,297	31,021,129	31,021,129	30,000,000	(1,021,129)
Ancillary Credit Hour Aid	3,336,114	3,284,361	3,284,361	3,180,000	(104,361)
Comm. College Out-Dist. Aid	8,802,852	9,338,953	9,338,953	9,100,000	(238,953)
Comm. College General Aid	399,998	393,000	393,000	400,000	7,000
Washburn Credit Hr. Aid	3,769,095	3,703,136	3,703,136	3,600,000	(103,136)
Washburn Out-Dist. Aid	661,644	724,312	667,416	667,000	(416)
Washburn Operating Grant	1,442,440	1,662,672	1,662,672	1,600,000	(62,672)
Adult Basic Education	186,000	326,435	326,435	500,000	173,565
Parent Education	0	982,500	982,500	2,000,000	1,017,500
Dodge City Cul. Heritage	25,000	0	0	0	0
Ag. in Classroom	30,000	0	0	0	0
TOTAL	\$944,931,752	\$990,103,861	\$990,103,861	\$965,276,251	(\$24,827,610)