

Approved March 26, 1992
Date

MINUTES OF THE SENATE COMMITTEE ON EDUCATION

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

1:30 ~~xxx~~/p.m. on Wednesday, February 26, 19⁹² in room 123-S of the Capitol.

All members were present except:

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 696 - Concerning community colleges, relating to the financing thereof.

Proponents:

Ms. Connie Hubbell, Legislative Coordinator, State Board of Education
Dr. Merle Hill, Executive Director, Kansas Association of Community
Colleges

After calling the meeting to order, Chairman Joseph C. Harder referred Committee attention to SB 696, an act concerning community colleges. He then recognized Ms. Connie Hubbell, Legislative Coordinator, State Board of Education.

Ms. Hubbell, testifying in support of SB 696, pointed out that although the State Board, in cooperation with other agencies, has studied and made recommendations a number of times relating to community college financing, few recommendations have been adopted; and a finance problem for community colleges still exists.

She stated that the Board of Education has developed a finance plan covering a four-year period to bring community colleges up to 40 percent state funding of their previous year's operating budget. (Attachment 1)

Ms. Hubbell noted that "it is very difficult to meet the needs of a community college without some type of commitment on potential funding from the state".

Responding to questions, Ms. Hubbell replied that the fiscal note for 1993 is \$8.5 million dollars, which, she explained, would not be so significant had the five-year funding plan gone into effect as scheduled. The State Board, she acknowledged, has requested a supplemental note of \$2.3 million for 1992. Ms. Hubbell quoted fiscal notes for future years under the proposed four-year funding plan:

1993-94 - \$9.5 million
1994-95 - \$10.5 million
1995-96, \$11.7 million

Ms. Hubbell said that the State Board's contention has been that it is the Board's responsibility to determine what educational programs are necessary, and it is up to the legislature to determine the funding sources. However, she added, the Board has taken a position for raising taxes, except property taxes, to fund K-12 education, and she would think the Board would support this stance for community colleges.

Mr. Dale Dennis, State Department of Education, in response to a question, stated that funding for community colleges has been a year-to-year legislative policy.

Ms. Hubbell related that although there have been Board efforts to enact a more uniform mill levy for supporting community colleges across the state,

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON EDUCATION,
room 123-S, Statehouse, at 1:30 ~~xxx~~/p.m. on Wednesday, February 26, 1992

the legislature has never adopted the proposal. Ms. Hubbell acknowledged that her funding proposal is part of a five-year funding plan which was first funded two years ago.

When Dr. Hill was called upon to testify, he reaffirmed that SB 696 seeks to continue the five-year financial plan which was first funded in fiscal year 1989. Dr. Hill, recognizing that the fiscal note attached to SB 696 is significant, alternatively requested as minimum Committee support the Governor's recommendation for a four percent increase in community college state aid in fiscal year 1993 along with the prospect of the community college five-year plan being a high priority should additional funds for higher education become available. (Attachment 2)

Dr. Hill informed members that consideration had been given, following a mill levy study contracted by the State Board in about 1985, to taxing a higher mill levy in counties in which community colleges are located and taxing less in those counties in which a community college is not located. This plan, he said, did not materialize due to consideration of its constitutionality.

Responding to a question, Dr. Hill stated that he had been supportive of the concept contained in SB 496, which would allow community colleges and vocational schools to merge and thus to eliminate course duplications.

Following a call for additional conferees, the Chair announced that the hearing on SB 696 was concluded and that the bill will be taken under advisement.

SB 468 - School buildings, building-based education plans.

The Chair called Committee attention to SB 468, relating to building-based education plans, and informed members that the revisor had prepared a balloon amendment to SB 468, and copies were distributed for Committee consideration. He informed members that the Kansas Association of School Boards has agreed to the amendments. (Attachment 3)

The Chair reminded members that pending before the Committee was a substitute motion made by Senator Ward and seconded by Senator Walker to recommend SB 468 favorably for passage.

Senator Ward withdrew his substitute motion, and Senator Walker withdrew his second.

Senator Walker then made a substitute motion to amend SB 468 as proposed in Attachment 3. Senator Parrish seconded the motion, and the amendment was adopted.

Senator Karr moved that SB 468, as amended, be recommended favorably for passage. Senator Walker seconded the motion. Following a Committee concern that a state-wide approach to building-based education is premature until positive results are evident, the Chairman reported that building-based education has proven to be a very successful reform in other states.

Responding to a question, Mr. Dale Dennis stated that the fiscal note on SB 468 is about \$10,000 per building, and funding is subject to availability of appropriations.

When the Chair called for the question, he ruled that the motion to recommend SB 468, as amended, favorably for passage had passed.

The Chair informed members that due to the school finance hiatus he had received a number of phone calls proposing that the dates on when the board must notify a teacher regarding termination of contract (April 10) and the

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON EDUCATION,
room 123-S, Statehouse, at 1:30 ~~am~~ p.m. on Wednesday, February 26, 1992

date on which a teacher must notify the board (May 10) be extended by one month for both parties concerned.

Ms. Cindy Kelly, General Counsel, Kansas Association of School Boards, who was in attendance, stated her organization in the past has been opposed to any change in the contract dates, because it is very difficult to recruit teachers at such a late date. Extending this time by one month, she said, would only serve to make the task even more difficult.

The Chair said he would postpone Committee action on the date change until the next meeting. He then adjourned the meeting.

SENATE EDUCATION COMMITTEE

TIME: 1:30 p.m. PLACE: 123-S DATE: Wednesday, February 26, 1992

GUEST LIST

<u>NAME</u>	<u>ADDRESS</u>	<u>ORGANIZATION</u>
<i>Alvin Johnson</i>	724 N. 1st - Lindsborg	Smoky Valley Page
Geirgen Opat	219 Normal Dr. - Lindsborg	Smoky Valley Page
Hina Connolly	4520 Turnberry - Lawrence	Page
Mark Tallman	Topeka	KASB
Conne Hubbell	"	SB of E
Merle Hise	"	KACC
TED D. AYRES	TOPEKA	BO REGENTS
R. Lipsy	"	AP
<i>Alan White</i>	Lawrence	—
Joe Allevin	Lawrence	—
Margan Hansen	Maumebidge	—
Cindy Kelly	Topeka	KASB
David Monical	Topeka	Washburn
Garnet Eaton	Wichita	—
Loritta Sadler	Wichita	—
Karen Sessler	Ellinwood	—
Claudia Patron	Manhattan	Intern - Sun. Ward
William York	Topeka	Intern - Sun. Ken
Lachlinda M. Hernandez	Topeka	Gov's Office
Walt Holloway	Lawrence	-recalcitrant retiree
Galen Kelly	Lawrence	

Kansas State Board of Education

120 S.E. 10th Avenue, Topeka, Kansas 66612-1182

February 26, 1992

TO: Senate Education Committee
FROM: State Board of Education
SUBJECT: 1992 Senate Bill 696

My name is Connie Hubbell, Legislative Coordinator of the State Board of Education. It is a pleasure for me to appear before this Committee on behalf of the State Board.

The State Board of Education, in cooperation with other state agencies, has studied the community college financing and governance system on numerous occasions over the past 20 years. Many of those studies included recommendations concerning regionalization of finance and governance. Few of the recommendations have been adopted. Thus, a finance problem for community college still exists. The State Board of Education developed a finance plan for community colleges to alleviate that problem.

The community colleges are currently providing many of the needs of business and industry and serve as one of the important economic development tools of the state. In addition, they serve as a local springboard for higher education in four-year institutions. Because of limited funding, which places an excessive burden on the property taxpayer, these programs are in jeopardy. The State Board of Education plan includes a four-year process which would bring community colleges up to 40 percent state funding of their previous year's operating budget.

This plan would increase the state aid as a percentage of the total operating budget to 40 percent over a four-year period. The respective percentages are as follows:

Fiscal Year 1993	31.57 percent
Fiscal Year 1994	34.38 percent
Fiscal Year 1995	37.19 percent
Fiscal Year 1996	40.00 percent

This plan would freeze out-district tuition at the current rate of \$24 per credit hour. After funding out-district state aid, the remaining increase in appropriations would be divided two-thirds for credit hour state aid and one-third for general state aid. Attached is a four-year projection of these programs.

Dale M. Dennis
Deputy/Assistant Commissioner
Division of Fiscal Services and Quality Control
(913) 296-3871

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2/26/92
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Increased state funding will:

1. Permit out-district tuition currently paid by each county to remain the same during the next four years.

The out-district tuition has been a financial burden for out-district counties for several years. With county resources needed for building or maintenance of roads and bridges, the payment of out-district tuition for community college students creates financial distress for many county commissioners. Not increasing the out-district tuition over the five-year period would assist counties in utilizing the money for other needed expenditures.

2. Decrease the excessive burden on the property taxpayer.

The reliance on property tax for community colleges has increased over the last few years. This is a heavy financial burden on the 18 community college counties. It is essential that the state increase its financial responsibility if the state is to continue its economic growth.

3. Permit the community college boards of trustees to compete for quality teachers (teacher salaries in some community colleges are very low due to the property tax burden).

Due to the modest growth in state aid and the property tax currently levied by community colleges, the resources for funding community college teacher salaries are limited. The average salary of full-time instructional faculty on nine-month contracts in public two-year institutions of higher education is \$3,700 below the regional average (West North Central Region consisting of seven states). One of the primary factors in determining teacher salaries and improving Kansas' position on a national scale is increased state aid. The current percentage of state aid for community colleges in Kansas is the third lowest in the nation. As a result, some community colleges have a total mill rate that exceeds 30 mills.

4. Permit community college administrators and boards of trustees to plan for the needs of the community and state with some reasonable assurance of stable and adequate state funding in the future.

If Kansas is to be successful in economic development and growth, it is essential that a financial plan be adopted by the Legislature which would permit community colleges to direct their future. It is very difficult to meet the needs of a community college without some type of commitment on potential funding from the state. The community colleges play a very important role in meeting the training/retraining needs of business and industry. One of the first areas that a corporate executive investigates prior to locating in Kansas or adding to existing facilities is the training available to their employees.

EDUC
2/26/92
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If a plan of this nature is not adopted:

1. The community college educational system will deteriorate or the property tax burden will become more exorbitant and result in an adverse effect on the community college districts.
2. The potential for economic development in the state would be minimal in those areas served by community colleges. One of the first things that new businesses review in locating new industry is the educational program available at the elementary/secondary levels and the training available for their employees.
3. The burden placed upon student tuition paid by students will also increase possibly to a level where some students would be unable to attend community colleges. Many students starting their higher education at the local level later transfer to Kansas four-year institutions.

Based on a study sponsored by the Kansas Council of Community College Presidents, every dollar spent by the State of Kansas in support of community colleges, \$13.60 is returned to the state's economy. This figure does not include the educational, service or intangible economic benefits provided by this investment or the education received by the citizens of Kansas.

The State Board of Education recommends you report Senate Bill 696 favorably for passage.

EDUC
2/26/82
1-3

12-13-91
EDUC
2/26/92
1-4

COMMUNITY COLLEGE FUNDING

(REVISED FIVE-YEAR PLAN IMPLEMENTED OVER FOUR YEARS RECOMMENDED BY COMMUNITY COLLEGE PRESIDENTS)

	<u>Actual</u> <u>1988-89</u>	<u>Actual</u> <u>1989-90</u>	<u>Actual</u> <u>1990-91</u>	<u>Estimated</u> <u>1991-92</u>	<u>Estimated</u> <u>1992-93</u>	<u>Estimated</u> <u>1993-94</u>	<u>Estimated</u> <u>1994-95</u>	<u>Estimated</u> <u>1995-96</u>
General Fund								
Operating Budgets(a)	\$ 133,939,425	\$ 145,938,541	\$ 159,022,703	\$ 170,154,292	\$ 182,065,093	\$ 194,809,649	\$ 208,446,325	\$ 223,037,567
LAVTR	2,688,997	2,721,187	2,890,957	3,035,505	3,187,280	3,346,644	3,513,976	3,689,675
Credit Hour State Aid	27,112,769	29,495,297	30,993,357	34,502,349(d)	39,665,013	45,516,060	52,041,726	59,307,638
Academic Hours(b)	561,584	610,190	656,375	711,727	747,523	784,900	824,144	865,352
Vocational Hours(b)	272,844	288,834	308,653	343,906	361,101	379,156	398,114	418,020
Ancillary Credit Hour								
State Aid	0	3,336,114	3,270,206	0	0	0	0	0
General State Aid	399,991	399,998	392,990	810,405	3,391,737	6,317,261	9,580,094	13,213,050
Out-District								
State Aid	8,099,497	8,802,852	9,314,987	10,591,970	11,233,920	11,795,592	12,385,392	13,004,664
Credit Hours	341,353	373,117	396,733	445,790	468,080	491,483	516,058	541,861
Amount Per Credit Hour	24.00	24.00	24.00(c)	24.00(d)	24.00	24.00	24.00	24.00
TOTAL STATE AID	38,301,254	44,755,448	46,862,497	48,940,229	57,477,950	66,975,557	77,521,188	89,215,027
State Aid Increase	5,755,206	6,454,194	2,107,049	2,077,732	8,537,721	9,497,607	10,545,631	11,693,839
Percent of State Aid to								
Operating Budget	28.60	30.67	29.47	28.76	31.57	34.38	37.19	40.00

- (a) Provides for an overall average increase of 7.0 percent beginning in fiscal year 1992. Includes general fund, vocational education fund, and employee benefits fund.
- (b) Based upon an increase in academic, vocational, and out-district credit hours of 5 percent over preceding year beginning in fiscal year 1993.
- (c) Amount prorated by 1.75 percent.
- (d) Amount prorated by 1.0 percent.

NOTE: BASED ON HOURS SUBMITTED IN APPEAL TO GOVERNOR WHICH INCLUDES A SUPPLEMENTAL APPROPRIATION (AS OF 12-13-91).



KANSAS ASSOCIATION OF COMMUNITY COLLEGES

Jayhawk Tower, Suite 901 • 700 S.W. Jackson • Topeka, KS 66603

W. Merle Hill
Executive Director

Phone 913/357-5156
Fax 913/357-5157

To: Senate Committee on Education
From: Merle Hill
Date: February 26, 1992
Subj: SENATE BILL NO. 696, an act concerning community colleges;
relating to the financing thereof.

Mr. Chairman, members of the Committee, I am Merle Hill, executive director of the Kansas Association of Community Colleges. Association members appreciate having the opportunity to keep the community colleges' five-year financial plan before you, and SB 696 does just that.

The five-year financial plan for the community colleges, with a goal of receiving 40 percent of statewide operating revenues from the state, came from a year-long study by an ad hoc committee appointed by the State Board of Education in 1985. The committee was comprised of two legislators, one from each chamber, two county commissioners, several trustees, presidents, fiscal officers, and Department of Education staff members. Funding recommendations were made after an extensive study of community college funding in other states, with special emphasis on the breakdown of the three major funding sources - local ad valorem tax support, state assistance, and student tuition and fees.

Legislative action was sought in 1987 and 1988, but it wasn't until fiscal 1989 that the first year of the five-year plan was funded. That first-year allocation of some \$3.2 million "new" state dollars brought the percentage of operating revenues from the state up from less than 25 percent to about 27 percent. For fiscal 1991, state support was at about the 29-percent level. If SB 696 were fully funded, the percentage of operating revenues from the state would increase to about 31.5 percent. Only Arizona, New Jersey and Wisconsin report state funding percentages below this figure. (Community College Financing 1990, Honeyman, Williamson and Wattenberger, American Association of Community Colleges)

Funding percentages in neighboring states are 58.9 percent in Colorado, 36.8 percent

EDUC

2/26/92

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in Nebraska, 79.1 percent in Oklahoma, and 40.1 percent in Missouri. Last year, the Speaker of the House in the Missouri Legislature, proposed 50-percent funding for the state's community colleges.

The members of the Kansas Association of Community Colleges believe a commitment from the Legislature to set community college funding from the state at a minimum of 40 percent of operating revenues, compared with approximately 72 percent for the state universities, will be a strong message to our citizens regarding quality education at a reasonable cost, open access to higher education for all Kansans, the importance of economic development through workforce training and retraining, the necessity for developmental education, and serving extended community needs. Putting this five-year financial plan into statute will be a move toward keeping community in Kansas community colleges.

When the Association asked the State Board of Education to request re-introduction of a bill to put into statute the last four years of the five-year plan, members recognized that the fiscal note would be significant. We request that you support as a minimum the Governor's recommendation for a 4-percent increase in community college state aid in fiscal 1993 and, if state revenues are enhanced and additional funds for higher education become available, that the community colleges' five-year plan become a high priority for additional funding.

I shall be pleased to stand for questions. Thank you.

EDUC
2/26/92
2-2

SENATE BILL No. 468

By Special Committee on Education

Re Proposal No. 8

12-23

10 AN ACT concerning school districts; relating to building-based ed-
11 ucation plans; amending K.S.A. 1991 Supp. 72-9802, 72-9803, 72-
12 9804 and 72-9805, and repealing the existing sections.

13
14 *Be it enacted by the Legislature of the State of Kansas:*

15 Section 1. K.S.A. 1991 Supp. 72-9802 is hereby amended to read
16 as follows: 72-9802. (a) The board of every school district ~~may shall~~
17 authorize the development ~~and implementation~~ of a building-based
18 education plan by ~~a~~ any school building employees unit *applying*
19 *and qualifying for such authorization*, and may apply for a grant of
20 state moneys to reimburse the school district, in whole or in part,
21 for amounts expended by it for development and implementation of
22 ~~the any such plan or plans~~. Any unit which desires to develop a
23 building-based education plan may make application to the board
24 for authorization ~~therefor~~. Applications shall be submitted in a form
25 and manner specified by the board and shall contain such information
26 as the board shall require. To qualify for authorization by the board
27 to develop a building-based education plan, a unit must demonstrate
28 that the professional employees in the unit have been informed of
29 the duties which will be required of them under a building-based
30 education plan and shall have mutually agreed to participate in the
31 development and implementation ~~thereof of the plan.~~

Approval by the board of the plan is prerequisite to implementation of the plan.

32 (b) In order to be eligible for a grant of state moneys provided
33 for by this act, each board which has authorized the development
34 and implementation of ~~a one or more~~ building-based education plan
35 plans shall submit to the state board an application for a grant and
36 a description of the plan *or plans*. The application and description
37 shall be prepared in such form and manner as the state board shall
38 require and shall be submitted at a time to be determined and
39 specified by the state board. *Approval by the state board of plans*
40 *and applications for grants of state moneys is prerequisite to the*
1 *award of grants.*

approved the

2 (c) Each board which is awarded a grant under this act shall
3 such periodic and special reports of statistical and financial

EDUC
2/26/92
A3