

Approved: 4-10-97
Date

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chairperson Phil Kline at 12:27 p.m. on April 1, 1997 in Room 514-S of the Capitol.

All members were present except: Representative Farmer - Excused
Representative Edmonds - Excused
Representative Minor - Excused
Representative Reinhardt - Excused

Committee staff present: Alan Conroy, Russell Mills, Stuart Little, Legislative Research Department;
Mike Corrigan, Revisor of Statutes Office;
Marcia Ayres, Appropriations Secretary; Helen Abramson, Administrative Aide

Conferees appearing before the committee: The Honorable Vernon Correll, Representative, 7th District
The Honorable Ed McKechnie, Representative, 3rd District
Dr. Stephen M. Jordan, Kansas Board of Regents
Dr. Charles Settle, Labette Community College

Others attending: See attached list

A motion was made by Representative Pottorff, seconded by Representative O'Connor, to reconsider action taken yesterday to pass SB 15 and place it on the consent calendar. The motion carried.

A motion was made by Representative Ballard, seconded by Representative Landwehr, to amend SB 15 by striking ".and" on page 2, line 9. The motion carried.

A motion was made by Representative Ballard, seconded by Representative Landwehr, to pass SB 15 as amended. The motion carried.

Hearing on HB 2492 - Community and technical college affiliation with state educational institutions

Representative McKechnie. Representative Ed McKechnie spoke in support of **HB 2492** which would lay the ground rules for a cooperative agreement between two post-secondary institutions to provide better services to its students. (Attachment 1)

Representative Correll. Representative Vernon Correll testified in favor of **HB 2492** because it sets out the supervision and coordination for a voluntary affiliation between a community or technical college and one of the regents' institutions. (Attachment 2)

Dr. Jordan. Steve Jordan, executive director of the Kansas Board of Regents, appeared in support of the purpose intended by **HB 2492** and offered suggestions to strengthen the public policy purposes of the bill. (Attachment 3)

Dr. Settle. Charles Settle, dean of administrative services for Labette Community College, delivered written testimony prepared by Dr. Joe Birmingham, president of the community college, who was unable to be present. He gave background information and discussed the gridlock that has developed from the many studies on governance and funding of higher education in Kansas. **HB 2492** would address this situation because it provides permissive legislation for change. (Attachment 4)

Questions followed and the hearing was closed.

Mike Corrigan of the Revisor's staff explained the technical cleanup amendment to **HB 2478** which amends statutes to insert the current method for measuring the interest earnings to be credited to eight special revenue

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS, Room 514-S Statehouse, at 1:30 P.M. on April 1, 1997.

funds not included in the 1996 law.

A motion was made by Representative O'Connor, seconded by Representative Neufeld, to amend HB 2478 on page 2, line 6, by inserting the word "rate" after the word "earnings." The motion carried.

A motion was made by Representative Neufeld, seconded by Representative Helgerson, to pass HB 2478 as amended. The motion carried.

A motion was made by Representative Helgerson, seconded by Representative Feuerborn, to introduce a bill allowing Wildlife and Parks Historical Sites to issue bonds for capital improvement of facilities. The motion carried.

A motion was made by Representative Nichols, seconded by Representative Helgerson, to introduce a bill relating to the exempting of purchases of certain motion picture and television production companies from sales tax. The motion carried.

The meeting adjourned at 1:15 p.m.

The next meeting is scheduled for April 2, 1997.



TOPEKA

HOUSE OF
REPRESENTATIVES

COMMITTEE ASSIGNMENTS

MEMBER: APPROPRIATIONS
 SUB-COMMITTEE ON CORRECTIONS AND
 PUBLIC SAFETY
 RULES AND JOURNAL
 NATIONAL CONFERENCE OF STATE
 LEGISLATURES FISCAL AFFAIRS AND
 OVERSIGHT COMMITTEE
 JOINT COMMITTEE ON LEGISLATIVE
 POST AUDIT

ED McKECHNIE

REPRESENTATIVE, THIRD DISTRICT
 224 W. JEFFERSON
 PITTSBURG, KANSAS 66762
 (316) 231-1669

OFFICE

JAN.—APRIL
 ROOM 502-S
 STATEHOUSE
 TOPEKA, KS 66612
 (913) 296-7699

April 1, 1997
 HB 2492

Mr. Chairman this bill is about providing a better education for kids.

Two years ago a discussion began in Southeast Kansas about how two agencies — a community college and a university - could do a better job of providing services to kids. This discussion has led to the introduction of HB 2492.

This bill has no fiscal note and does not necessarily cause anything to happen. But it does lay a road map down, a road map for two entities to have a conversation and hopefully make a difference for kids.

Earlier this session, several members of this committee expressed the desire that entities within the post-secondary education community bring a plan back to the Legislature in 1998. I do not believe that there will be a plan. But rather there will be several ideas on how to best incorporate the strengths of the 19 Community Colleges, the Technical Colleges and the Regents system into a single focus, and I will remind you again its about providing a better education to kids.

This is a piece of the road map for one, or perhaps more, of the community colleges and a Regents school. It is totally voluntary.

The Community College Board of Trustees must adopt a petition to present to the Board of Regents on how an affiliation would take place. In that petition it is envisioned that many of the questions about the transfer would be enumerated. If that petition is presented to the Board before July 1, then the Regents would be required to consider and make

Appropriations
 4-1-97
 Attachment 1

recommendations on that petition by October 1.

This would then provide, for the first time in Kansas history, a viable proposal to the Legislature on a cooperative agreement between two post-secondary institutions.

Mr. Chairman this bill creates an important road map for post-secondary education because it lays the ground rules by the Legislature between two agencies. Without those ground rules then historical bias' can take over and drive the discussion. Rather, we should encourage and demand open, honest and fair discussions that keep the focus on the important issue at hand: educating Kansas students.

I truly do appreciate the time given to hear this bill. I hope, after hearing all of the comments, you will support its passage.

VERNON W. CORRELL
REPRESENTATIVE, SEVENTH DISTRICT
LABETTE COUNTY
PO BOX 214
OSWEGO, KS 67356



TOPEKA

HOUSE OF
REPRESENTATIVES

TESTIMONY
ON
HB 2492

COMMITTEE ASSIGNMENTS
RANKING MINORITY MEMBER: FINANCIAL INSTITUTIONS
MEMBER: AGRICULTURE
TRANSPORTATION
SPECIAL CLAIMS AGAINST
THE STATE

Mr. Chairman and members of the Committee:

Thank you for the opportunity to speak in favor of HB 2492. My remarks will be short but my support for this bill is not.

I believe passage of HB 2492 would create guidelines for not only Labette Community College and Pittsburg State University in their planning for the future, but would be used by other community colleges or technical colleges.

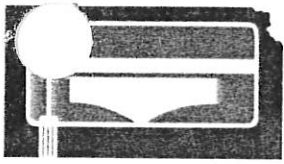
In this time of tight budgets and the need for continued education and training it is necessary to have plans and procedures by which any community college or technical college could affiliate with a regents university.

The Board of Trustees of colleges like Labette must look for alternatives in long-term funding as there is no real hope of immediate additional funds going toward community colleges. Without legislation such as HB 2492, which sets out supervision and coordination for voluntary affiliation with another college, the procedure would be fragmented and done by trial and error.

Thank You.

Vernon W. Correll
State Representative
District #7

Appropriations
4-1-97
Attachment 2



HOUSE COMMITTEE ON APPROPRIATIONS

TESTIMONY ON HOUSE BILL 2492

April 1, 1997

Presented by
Stephen M. Jordan, Executive Director
Kansas Board of Regents

Good afternoon, Mr. Chairman and Members of the Committee. I am Stephen Jordan, Executive Director of the Kansas Board of Regents. On behalf of the Board of Regents I am here to testify in support of the purpose intended by House Bill 2492, facilitating the ability of community or technical colleges to affiliate with Regents institutions, and to offer suggestions which may help to strengthen the public policy purposes of the bill.

As many of you are aware, this past December the Board of Regents took a position that coordination of postsecondary education in Kansas needed to be improved and that the Board of Regents is prepared to accept responsibility for coordinating postsecondary education if asked to do so by the legislature. This action was taken during a discussion of a proposal for an affiliation between Labette Community College and Pittsburg State University in which members of the Board of Regents expressed their concern about the ability of the Board to make a decision concerning an individual affiliation or merger proposal in the absence of some larger vision of public postsecondary education for Kansas. The Board believes that first and foremost, there needs to be a coordinated system of postsecondary education. One element of a coordinated system is the ability of a state postsecondary coordinating agency to recommend or approve affiliations or mergers of institutions through a well defined and accepted process. House Bill 2492 provides the framework for that process.

Appropriations
4-1-97
Attachment 3

The Board offers the following specific comments on the provisions of the bill. First, the bill addresses potential affiliations between institutions. What about potential mergers of institutions? Within the process outlined in the bill, if an initiating institution wishes to propose an outright merger with a Regents institution, shouldn't that possibility be considered? Second, there are some elements required in the legislative act described in Section 2 of the bill which would seem appropriate for inclusion in the request for affiliation in Section 3. For example, shouldn't the requirements of sub-paragraphs (b) (4) through (7) of Section 2 be included in the initial proposal developed by the requesting agency and submitted to the Board of Regents. To the extent that these issues may be subsumed by sub-paragraph (a) (3) of Section 3, it may be clearer to simply restate them as was done in Section 2.

In addition to these suggestions, the Board of Regents discussed two sets of proposed principles for institutional affiliations when they were considering this subject which may be germane to the proposed legislation. The two sets are similar in many respects, but differ in the specificity of information that would be required in any proposed affiliation. In particular, we would call your attention to principle 5 in both options which would require a plan for financing the affiliation. We offer these to you as principles you may wish to incorporate into Section 3 of the bill.

In closing, I think it is important to emphasize the Board of Regents belief that the purposes which are permitted by this proposed legislation are a necessary component for a coordinated system of postsecondary education, but not, in and of themselves, a sufficient condition for a coordinated system of postsecondary education. I would be pleased to respond to any questions members of the committee may have.

Proposed Principles for Institutional Affiliations with Regents Universities - Option 1

Proposals for institutional affiliations prepared by the Kansas Regents universities and potential partners should demonstrate potential to increase student access to higher education, enhance the quality and variety of academic programs, and provide benefits to students and the State that justify any increased costs associated with affiliation.

1. The affiliation proposal should clearly articulate and integrate the mission of the affiliated institution.
 - * Basic institutional purposes, service areas, scope of programming, and admissions policies should be explicit.
 - * Teaching, scholarship and public/community service responsibilities for the affiliated institution should be delineated.
2. The affiliation proposal should define the authority and responsibilities of any local boards that are retained.
 - * The chief executive officer of the affiliated institution will be appointed by and report to the chief executive officer of the Regents university or his/her designee.
 - * Local boards may retain shared responsibilities for appropriation and allocation of local funds.
 - * The functions and authority of local foundations, if retained, should be clearly articulated.
3. The affiliation proposal should identify how the quality and access to academic programs will be enhanced.
 - * Plans for the improvement, integration and/or consolidation of programs should be evident where this is consistent with the goals for the affiliation.
 - * Pre/post affiliation performance data should demonstrate program improvements.
 - * Opportunities for program delivery by other Regents universities at the instructional sites of the affiliated institution should be identified.
 - * Faculty employment, evaluation, and development policies and programs should be consistent with the goals of affiliation.
 - * Plans for the integration of libraries and other academic support should be evident where this is consistent with the mission of the Regents university and affiliated institution.
4. The affiliation proposal should identify administrative efficiencies and economies of scale.
 - * Institutional, academic, and student services systems and units should be integrated where this will achieve savings and enhance the mission of the Regents university and affiliated institution.
 - * Overall administrative expenditures should be reduced, and savings directed toward instruction.
5. The affiliation proposal should include an appropriate mix of state, local and student financial contributions.
 - * Resources for the Regents universities should not be diminished by affiliation.
 - * Local mill levies should be retained at their current level to support the instructional sites and students of the affiliated institution.
 - * Tuition rates at local campuses should be consistent with the mission of the affiliated institution.
6. The affiliation proposal should ensure that the maintenance, enhancement and future expansion of the physical plant be the responsibility of the local authority.
 - * Alternatives to new building construction, such as new or expanded telecommunication networks, should be included in the affiliation proposal.

Proposed Principles for Institutional Affiliations with Regents Universities - Option 2

Proposals for institutional affiliations prepared by the Kansas Regents universities and potential partners should demonstrate potential to increase student access to higher education, enhance the quality of academic programs, and provide benefits to students and the State that justify any costs associated with affiliation.

1. The affiliation proposal should clearly articulate and integrate the mission of each community college.
 - * The basic purposes, service areas, scope of programming, and admissions policies should be explicit.
 - * Teaching, research and public/community service responsibilities and other activities including intercollegiate athletics for each college should be delineated.
2. The affiliation proposal should define the authority and responsibilities of any local boards that are retained.
 - * The chief operating officer of the affiliated community college will be appointed by and report to the chief executive officer of the Regents university or his/her designee.
 - * Local boards will retain advisory responsibility for allocation of local funds.
 - * The functions and authority of local foundations, if retained, should be clearly articulated.
3. The affiliation proposal will assume that the Regents institution will manage the quality and access of academic programs in the same manner that Regents universities are presently managed.
 - * Quality and access issues will be managed by the chief executive officer of the Regents institution through the chief academic officer with the consent of the Board of Regents and its authorized councils.
4. The affiliation proposal will assume that the Regents institution will manage administrative efficiencies and economies of scale in the same manner that Regents universities administrative structures are presently managed.
 - * Administrative structures will be managed by the chief executive officer of the Regents institution through the chief administrative officers with the consent of the Board of Regents and its authorized councils.
5. The affiliation proposal should include an appropriate mix of state, local, and student financial contributions.
 - * Local tax support should be negotiable with the state and should encompass funding for future capital improvements.
 - * Resources for the affiliated college should be reasonably equal to those provided for support at the Regents institution.
 - * Resources for neither campus should be diminished by affiliation.
 - * Tuition rates at local colleges should be consistent with the mission of the affiliated college.
6. The affiliation proposal should ensure that the maintenance, enhancement, and future expansion of the community college's physical plant and infrastructure is a shared financial responsibility.
 - * Alternatives to new building construction, such as new or expanded telecommunications networks, should be included in the affiliation proposal.

April 1, 1997

To: Committee on Appropriations

From: Dr. Joe Birmingham, President of Labette Community College

Re: House Bill No. 2492

Good afternoon. I am Dr. Charles Settle, Dean of Administrative Services for Labette Community College. Dr. Birmingham is out-of-state and could not be present today. He asked me to deliver his testimony to you.

“Members of the Appropriations Committee, I appreciate the opportunity to present this testimony to you, and regret that I personally could not be present today. Dr. Settle has been completely involved in the development of the affiliation concepts and will be able to address your questions, should you have any.

House Bill 2492

In summary, House Bill 2492 provides a mechanism whereby a community college or a technical college may petition to affiliate with a state educational institution under the supervision of the state board of

Appropriations
4-1-97
Attachment 4

regents. It creates a specific process whereby institutions and governing boards voluntarily discuss and develop affiliation proposals. The bill provides that the state board of regents would act to approve or disapprove the affiliation petition and report its actions to the legislature.

Background

In 1993, Labette Community College started a long-range planning process called strategic planning. Among other goals, the strategic plan stated that the college should pursue partnerships with business and industry and other educational institutions. This goal was based on the premise that funding for community colleges will not adequately support current and future needs, and partnerships are an effective, and sometimes more efficient way, to serve the public.

Later in the planning process, a strategic objective was created and approved by the college's Board of Trustees. This objective directed "the college president to investigate, study, and consider the positive and negative implications of partnerships, or more formal methods for affiliation, with the Board of Regents System."

In June, of 1995, I contacted the president of Pittsburg State University to discuss the concept of affiliation. The president of PSU supported the idea, and a series of meetings were held by administrators of both institutions. The outcome was a proposal to affiliate Labette Community College with PSU and the Board of Regents. This proposal was submitted for consideration by the Regents and college's Board of Trustees.

Support for House Bill 2492

For many reasons relating to financial resources, Labette Community College is concerned about its long-term ability to continue to serve the public with high-quality educational programs, and modern facilities and equipment. In this respect, "long-term" means ten, twenty and thirty or more years from now. From a strategic planning analysis, we believe that there must be substantial changes regarding funding of community colleges. If the status quo is maintained, educational opportunities for the public and quality of programs will suffer.

Our college was started in 1923 as Parsons Junior College, and was governed by a local school district board. In 1965, a county-wide college district was created. Since 1965, the types and numbers of students we

teach, and where and how we teach them, has changed significantly. The programs that we offer to students, business and industry have changed dramatically since 1965. But, governance and funding for community colleges essentially have not changed to match the change in our society and our colleges.

To ensure long-term financial strength, our college is willing to consider a different governance model. In particular, this model is one in which the college maintains its accredited status as a community college, is governed by the state board of regents, and administered by a regional state university.

The affiliation bill provides a voluntary method for a community or technical college and a regents institution to affiliate. This affiliation should lead to:

- effective long-range planning for program offerings in a specific geographic region,
- improved coordination in offering programs and services,
- sharing of resources (such as faculty, staff, and libraries),
- increased articulation and integration of academic and support programs.

- decreased competition and increased cooperation and joint programming,
- sharing of facilities to more effectively and efficiently offer undergraduate and graduate courses within a region, and
- for the long-term, expectations for financial efficiencies.

Initiating change

Since the early 1970's, there have been about 23 studies on governance and funding of higher education in Kansas. These studies occurred presumably because there was dissatisfaction with the systems or methods for planning, governing, or funding of higher education. For example, some people contend that there are too many separately governed community or technical colleges and area vocational-schools. Some people contend that there are too many separately governed community or technical colleges or area vocational schools in certain regions of the state. There are even some who contend that there are too many regents institutions. Despite all the studies conducted by "blue-ribbon" councils and commissions, no fundamental changes have been enacted regarding governance, planning, or funding of higher education in Kansas.

It is my belief that higher education in Kansas is so politically and statutorily segmented, that we are experiencing “decision-making gridlock.”

House Bill 2492 addresses this situation because it provides permissive legislation for change. It creates an avenue for a voluntary agreement to be developed between a community or technical college and a regents institution. In some areas of the state, House Bill 2492 also could begin to address and remedy long-standing concerns about governance, coordination, and planning of higher education institutions.

House Bill 2492 would enable an affiliation partnership to be discussed and potentially established between two governing boards. This partnership approach is likely to be much more effective in introducing change than any other methods heretofore proposed.

Again, thank you for the opportunity to provide testimony on House Bill 2492.”

(appro-testimony)