

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.

The meeting was called to order by Chairperson Dave Kerr at 11:00 p.m. on March 30, 1998 in Room 123-S of the Capitol.

All members were present except:

Committee staff present: Alan Conroy, Legislative Research Department
Russell Mills, Legislative Research Department
April Holman, Legislative Research Department
Norman Furse, Revisor of Statutes
Michael Corrigan, Revisor of Statutes
Judy Bromich, Administrative Assistant
Ann Deitcher, Committee Secretary

Conferees appearing before the committee: Representative Ed McKechnie
Representative Mike Farmer
Representative David Adkins
Senator Anthony Hensley
Senator Laurie Bleeker
Former Senator Sheila Frahm
Former Senator Robert Talkington
President Farley, Washburn University

Others attending: See attached list

Senator Kerr called the meeting to order and welcomed the members of the Education Committee.

Senator Lawrence, as Chairperson of the Education Committee, introduced Representative David Adkins, Chairman of the House Select Committee on Higher Education, who spoke to the Committees in support of **HCR 5049**. (Attachment 1).

Representative Ed McKechnie spoke to the Committees as a proponent of **HCR 5049**. He pointed out the five findings beginning on page 7 of attachment 1. Next, he explained the graphs and charts as shown on pages 10 and 11.

Representative Mike Farmer, Vice-Chairman of the House Appropriation Committee and a member of the Select Committee who has worked closely on writing their plan, spoke in favor of **HCR 5049**. He said that in answer to the question of what happens if the stock market goes down, the funding for years three and four might not be there, the key to this proposal is not the funding of years three and four. The key to this proposal is coordination and the governance and the constitutional ammendment.

Also appearing before the Committees as proponents of **HCR 5049** were Senator Anthony Hensley and Senator Laurie Bleeker.

Next to appear as a proponent for **HCR 5049** was President Farley of Washburn University. (Attachment 2).

Former Senator Sheila Frahm, representing the Kansas Association of Community College Trustees spoke in support of **HCR 5049**. (Attachment 3).

Senator Frahm also passed out letters of support from the Community Colleges Across Kansas. (Attachment 4).

Former Senator Robert Talkington, appeared before the Committees as an opponent of **HCR 5049** and **HB 2793**. (Attachment 5).

Senator Kerr asked Senator Talkington if he was in favor of a proposal to give the Board of Regents the coordinating authority as described for the Council's Higher Education.

Senator Talkington said that he was in favor of doing something, but under the existing structure. He things that a lot of work needs to be done but for a lot less cost than has been proposed.

Representative Farmer then explained the State General Fund Profile for FY 1997 through 2003. (Attachment 6).

Senator Kerr said there didn't seem to be any new funding for elementary and secondary education other than the enrollment growth.

Representative Farmer said it did have the Governor's recommendation.

Senator Kerr asked if it had all the additional amounts each year that it costs to add the .2% to KPERS, as in current law and was that already subtracted out.

Representative Farmer said he didn't believe so.

Senator Kerr said he felt the Committees would like to know more about the funding without getting into logistics about it. He asked if there was some proposal on the part of the House of Representative that hasn't been made public and if it was made public, was it only done in an oblique way. Senator Kerr also asked Representative Farmer if they were offering to adjust their tax reduction package to accomodate this plan.

Representative Farmer said that it was their opinion at this time that they didn't have to. And if they assume the \$190 million tax reduction, they'd be able to make it work with that.

Representative Adkins said that his Committee was firmly convinced that any proposal to move community colleges to be governed or coordinated by the existing Board of Regents is not politically viable.

Senator Lana Oleen, a member of the Senate Education Committee, commended the Select Committee of the House on the hours and the work that had gone into their proposal. She did, however, have concerns that the money would not continue to be available and sometime in the future, this project would run out of funding.

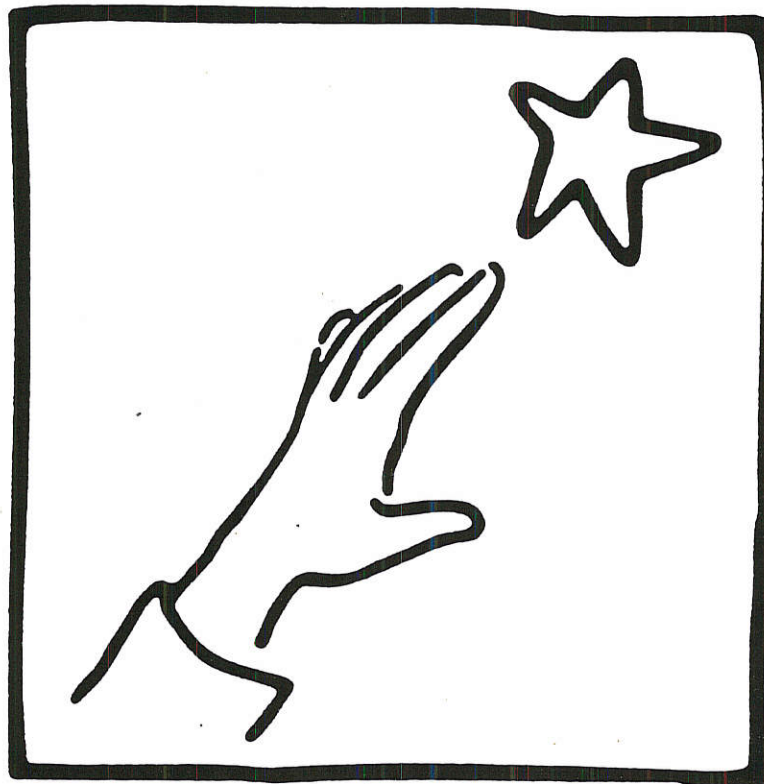
The meeting was adjourned at 1:10 p.m.

SENATE WAYS AND MEANS COMMITTEE GUEST LIST

DATE: 3/30/98

NAME	REPRESENTING
Marvin Burris	KBOR
Marlow Reed	KU
Robert V. Jantz	KBOR
Carol Chrysler	Harris News
Joe Birmingham	KSDE
DAVID ADKINS	KS HSE
Jim Allen	KACCT
Sheela Fakhri	KACCT
Jayesh Khan	KACC
Craig Grant	HNWA
Jim Edwards	KCCI
Mark Tellus	KASTV
Elaine Frisbie	Div. of the Budget
BARB CONANT	KBOR
Christine Crenshaw	KBOR
Melinda Calderwood	Washburn
Jerry Farley	Washburn University
David G. Monical	Washburn
Ed McKechnie	Ks. House

Bridging the Gap: Higher Education for a New Century



Initial Report to
The Kansas House of Representatives
from the Select Committee on Higher Education



David Adkins, Chair
Joe Kejr, Vice-Chair
Ed McKechnie, Ranking Minority Member
Mike Farmer • Jim Garner • Henry Helgerson
Andrew Howell • Jan Pauls • Shari Weber

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Attachment 1-1

House Select Committee on Higher Education

Representative David Adkins, Chair
Room 448-N
State Capitol
300 S.W. Tenth Street
Topeka, Kansas 66612
(785) 296-7678

Representative Joe Kejr, Vice-Chair
Room 182-W
State Capitol
300 S.W. Tenth Street
Topeka, Kansas 66612
(785) 296-7649

Representative Ed McKechnie,
Ranking Minority Member
Room 502-S
State Capitol
300 S.W. Tenth Street
Topeka, Kansas 66612
(785) 296-7699

Representative Mike Farmer
Room 182-W
State Capitol
300 S.W. Tenth Street
Topeka, Kansas 66612
(785) 296-7681

Representative Jim Garner
Room 284-W
State Capitol
300 S.W. Tenth Street
Topeka, Kansas 66612
(785) 296-7675

Representative Henry Helgerson, Jr.
Room 281-W
State Capitol
300 S.W. Tenth Street
Topeka, Kansas 66612
(785) 296-7691

Representative Andrew Howell
Room 181-W
State Capitol
300 S.W. Tenth Street
Topeka, Kansas 66612
(785) 296-7667

Representative Jan Pauls
Room 272-W
State Capitol
300 S.W. Tenth Street
Topeka, Kansas 66612
(785) 296-7657

Representative Shari Weber
Room 182-W
State Capitol
300 S.W. Tenth Street
Topeka, Kansas 66612
(785) 296-7674

For additional copies of this report, please contact:

The Kansas Legislative Research Department
Room 545-N
State Capitol
Topeka, Kansas 66612
(785) 296-3181
<http://www.kumc.edu/kansas/ksleg/KLRD/klrd.html>



TOPEKA

HOUSE OF
REPRESENTATIVES

February 10, 1998

The Honorable Tim Shallenburger,
Speaker of the House
The Honorable Tom Sawyer,
Minority Leader
Members of the House of Representatives
Citizens of Kansas

Dear Fellow Kansans:

On the eve of this century a library was erected on the campus of the University of Kansas in Lawrence. Spooner Hall, dedicated in 1894, housed the university's library until 1924. Kansans then understood the importance of education to the future of our state and their investment over a century ago continues to serve as a resource for today's students. On the facade of Spooner Hall, inscribed in sandstone, are the words, "Whosoever Findeth Wisdom Findeth Life." These words serve as a reminder of the commitment our generation of leadership must make to ensure that Kansas remains a vibrant venue for the pursuit of wisdom. The economic, cultural, artistic, and scientific life of our state is directly linked to our state's successful pursuit of the highest standards of excellence in our system of higher education. It is with this in mind that the House Select Committee on Higher Education accepted its charge from Speaker Shallenburger and Leader Sawyer.

Since our appointment the members of the Select Committee have worked diligently to review previous studies of higher education in Kansas—particularly the report of the interim committee led by Representatives Empson and Reinhardt. Building on this foundation we began our deliberations by discussing the strengths, weaknesses, and opportunities present in our current system of higher education. We also focused attention on our expectations for higher education. These components of our inquiry, taken as a whole, provided us with a valid justification for change. For nearly a quarter century policymakers have easily articulated their frustrations and concerns with the status quo, but a consensus on a solution to address these concerns has proven elusive. Our current state *Constitution* imposes a substantial constraint on meaningful reform. The interests of individual sectors of higher education in our state has often led to turf battles that have undermined previous reform initiatives. A lack of trust among key stakeholders has also compromised the ability to construct a unified system of higher education. It is time to bridge these gaps.

Many factors have contributed to the frustrations with our existing governance structure for higher education. The Legislature must accept responsibility for its failure to provide appropriate

strategic planning through its Legislative Educational Planning Committee. Additionally, resources, systemwide, have not been allocated to allow our institutions to fulfill our legislative expectations. It is not enough for legislators to merely focus on the problems. We must be willing to provide leadership to create lasting solutions. Our plan is an attempt to do just that.

The plan which is outlined in the pages that follow is a comprehensive proposal designed to address critical issues of governance and finance. It is designed to restore trust, enhance coordination, provide investments in excellence with accountability, and create a unified voice for higher education in Kansas. It is not designed to accommodate the individual needs of any institution, sector of higher education, or community. It is crafted to meet the needs of the state as a whole. It is designed to provide access and quality for all Kansas citizens.

The mission of higher education has changed significantly in the past two decades. Previous generations obtained training or a degree for a specific career or trade. Many graduates worked in their chosen field for decades before retiring. Today, graduates can expect to change careers many times and rare is the job that does not require a skilled worker. The Kansas economy will remain robust only if we can provide employers with workers trained to compete in a global economy. Lifelong learning opportunities must be available throughout our state as Kansans in all phases of life re-educate themselves to meet the challenges of a quickly changing marketplace.

"Whosoever Findeth Wisdom Findeth Life." These words remind us that the quality of life for many Kansans will be determined by their ability to access sources of knowledge. Much is right with our state's higher education institutions. They are among our state's most valuable resources. There is no reason for us to accept that they cannot be made even better.

In responding to this proposal some leaders will urge delay. They may believe that yet another study group or legislative committee or blue ribbon panel will discover the "magical" solution . . . one which makes everyone happy and doesn't cost any money. I am confident such a solution does not exist. I am equally confident that the time to act is now. Our state has the financial strength to fund this proposal at this time. We need not delay fulfilling our expectation of excellence in our state's higher education system. We risk more in doing nothing than we do in exercising the leadership necessary to make a positive difference now.

This proposal will be shared with community leaders throughout our state when the Committee travels during the week of February 10, 1998. A schedule of our tour is included in this report. During our site visits in 16 communities we will obtain input from stakeholders and business leaders to guide us in developing our final legislative package. Naturally, we also welcome the input of other legislators and Executive Branch policymakers.

Finally, let me thank the staff of the Legislative Research Department and staff from the Revisor of Statutes Office and the Kansas Board of Regents and the Kansas Education Department for their assistance in providing the Committee with information and assistance during our deliberations. I also commend our "shadow committee" of key stakeholders whose insights greatly enhanced our understanding. I appreciate their counsel and input.

Respectfully submitted,



David Adkins, Chair
Select Committee on Higher Education

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Attachment 1-34

**SELECT COMMITTEE ON HIGHER EDUCATION
SUMMARY OF MAJOR POINTS IN
HOUSE CONCURRENT RESOLUTION NO. 5049 AND
SUBSTITUTE FOR HOUSE BILL NO. 2793**

Constitutional Amendment Submitted to Voters

- A constitutional amendment would be submitted to the voters at the November 3, 1998, general election. The amendment would abolish the State Board of Regents and create the Kansas Council on Higher Education.
- The Council would be responsible for the control and supervision or coordination of public institutions of higher education, defined to include degree-granting colleges and universities and other institutions as provided by law.

State Council on Higher Education Created

- The Kansas Council on Higher Education would consist of 11 members, appointed by the Governor and confirmed by the Senate. Members would serve staggered six-year terms, subject to a two-term limit. Two members would be appointed from each congressional district, with the remainder at large. No more than six members could be from the same political party.
- Initial appointments to the Council would consist of five members appointed by the Governor from nominees submitted by the State Board of Regents; two members appointed from nominees submitted by the State Board of Education; two members appointed from nominees submitted by the Kansas Association of Community College Trustees; one member appointed from nominees submitted by the Kansas Association of Area Vo -Tech Schools; and one member appointed from nominees submitted by the Board of Regents of Washburn University. Members to the initial Council would be appointed by February 1, 1999. (Input from the above groups would be for purposes of appointing the initial Council only.)
- Terms of initial Council members would vary in duration in order to establish a staggered basis for successive terms of members.

Functions and Duties of the Council

- The Council would be authorized to appoint a chief executive officer and would oversee an agency consisting of two divisions: the Division of Governance and the Division of Coordination. As a governing entity for the existing Regents universities and Washburn

University, which would become a state institution, the Council would select institution; chief executive officers, establish personnel policies, set fees and tuition, and approve institutional missions.

- As a coordinating entity for all public postsecondary institutions, the Council would: develop comprehensive long range plans; determine institutional roles and review institutional missions; require the development of institutional master plans; develop measurable performance indicators; review and approve course offerings, course locations, programs, and degrees; conduct ongoing program review; encourage and oversee cooperative postsecondary programs among institutions; administer statewide student financial assistance programs; develop and implement long range plans for use of distance learning technologies; and collect and maintain a uniform postsecondary education database.
- As part of its coordination function, the Council would recommend funding levels for all postsecondary institutions to the Governor and the Legislature. For the governed institutions, the Council would approve institutional budget requests for submission to the Governor and Legislature.

Liaison, Advisory, and Oversight Entities Created

- The Educational Coordinating Commission would serve as a liaison between the Council and the State Board of Education to ensure a seamless system of education. The Commission would be composed of three members of the State Board of Education, selected by the Board, and three members of the Council on Higher Education, selected by the Council. The Commission members would serve two-year terms and annually would select the Chair of the Commission and establish their own rules of operations and procedure.
- The Joint Committee on Postsecondary Education would provide legislative oversight of postsecondary education. The Committee would consist of 14 legislators appointed as follows: three members of the Senate appointed by the President of the Senate and two members appointed by the Senate Minority Leader; and five members of the House of Representatives appointed by the Speaker of the House and four members appointed by the House Minority Leader. The Committee would be authorized to meet anywhere in the state on the call of the chair, and would be vested with subpoena powers over any institution governed or coordinated by the Council, the Council, the State Department of Education, and the Educational Coordinating Commission. The Committee is not to use its subpoena powers in abrogation of academic freedom. Among its duties, the Committee would assist in developing and monitoring performance measures to ensure the fiscal and academic integrity of the postsecondary education system. The Committee also would receive reports from the Council, the Educational Coordinating Commission, and committees that are advisory to the Council. The Committee would be charged with submitting a report to the 2000 Legislature on the feasibility of a virtual campus to provide educational access to programs offered by public postsecondary institutions via technology.

- The Council would be directed to appoint advisory committees as necessary to assist in the performance of its duties.

**Board of Regents Abolished and Supervision of Community Colleges,
Technical Colleges and Area Vocational Schools Transferred**

- The Board of Regents would cease operations on June 30, 2000.
- Supervision of community colleges, technical colleges, and area vocational schools would be transferred from the State Board of Education to the Council on July 1, 2000. Governance of these institutions by local boards would not be affected by the transfer.
- Appointment of the initial Council on February 1, 1999, prior to the Council assuming its duties on July 1, 2000, would create a transition period during which the Board of Regents and the State Board of Education would terminate their respective duties with regard to the postsecondary institutions under their governance or supervision.
- Provision is made for the transfer of property, records and funding that pertain to the duties being transferred from the Board of Regents and State Board of Education to the Council. Employees of the Board of Regents and the State Board of Education engaged in the performance of duties being transferred to the Council would be employed by the Council at the Council's discretion.

Community College Changes Made

- Community college mill levies for operating expenses would be capped at 20 mills, with the exception of a community college that consolidates with another community college. In the case of consolidated community colleges, the levy for operating expenses would be capped at 10 mills.
- The 20 mill or 10 mill limits could be exceeded if the community college board of trustees voted to increase the levy in order to generate enough revenues to fund up to a 2.5 percent increase in the amount of revenue received from the levy in the prior year.
- In the case of a community college with a levy in excess of 20 mills, or a consolidated community college with a levy in excess of 10 mills, if an increase in the assessed valuation generates more than a 2.5 percent increase in the amount of revenue received from the levy in the prior year, the operating budget mill rate would be reduced by the millage equivalency of the revenues that would be generated in excess of 2.5 percent.
- In the case of a community college at or below the 20 mill limit, or the 10 mill limit in the case of a consolidated community college, there would be no limit on the use of additional revenue generated by an increase in assessed valuation.

- For FY 2000, half of the increase in state aid received by community colleges over the prior year, exclusive of state aid to replace out-district tuition, would have to be used to reduce the mill levy for operations.
- Beginning in FY 2000, the bill provides that each community college would receive \$300,000 for general administrative state aid. Selected community colleges also would receive operating grants in amounts set forth in the bill. The operating grants are the estimated amounts of money necessary in FY 2000 to either enable all community colleges to reduce their mill levies to 20 mills or to increase the amount of state aid received by the community college to 30 percent of the operating budget.
- County out-district tuition would be abolished; all community college vocational courses would be reimbursed at two times the hourly rate for academic courses; the 64/72 hour limit on academic courses would be removed for purposes of out-district state aid; the community college capital outlay levy limit would be increased from two mills to three mills; the Council would be required to identify core indicators of performance for community colleges and implement a community college data management system; the definition of "credit hour" would be amended to delete reference to one hour of instruction per week for 18 weeks; and general state aid to community colleges would be abolished.

Washburn University Becomes a State Institution

- Washburn University would become a state institution under the control and supervision of the Council on July 1, 2000.
- All rights and liabilities of Washburn University would be transferred to the Council with the exception of endowment property, general obligation bonds which are outstanding on July 1, 2000, and other contractual obligations of Washburn University.
- During the transition period from July 1, 1999, to June 30, 2000, the Board of Regents of Washburn University would serve as liaison with the Board of Regents and the Council to implement the transition process.
- On July 1, 2000, the Board of Regents of Washburn University would be abolished. On that date, there would be established the Board of Trustees for Washburn University, whose power would include fixing the rate for the capital outlay levy on property located in the City of Topeka. The Board of Trustees would consist of nine members, appointed by the Governor, for terms of four years. The levy for capital outlay would be made by the governing body of the City of Topeka in an amount not to exceed five mills. After June 30, 2000, moneys from tax levies made for Washburn University for tax years prior to tax year 2000 would be transferred to the Washburn University Board of Trustees.

- On July 1, 2000, endowment property currently managed by the Washburn University Board of Regents would be transferred to the existing Board of Trustees of the Washburn Endowment Association, a not-for-profit corporation.
- By July 15, 1999, the Washburn University Board of Regents would submit to the Council a list of Washburn University employees who are recommended for employment. On July 1, 2000, the Council would appoint the employees on the list as approved or modified by the Council.
- All classified employees of the University as of July 1, 2000, could elect to remain under the present retirement system. Employees appointed to classified positions after July 1, 2000, would be eligible to participate in the regular state retirement system. The retirement system for unclassified employees would remain unchanged.
- Increases in student tuition would be tied to increases at the regional state universities (Emporia State University, Fort Hays State University and Pittsburg State University). For each percentage increase in tuition at the regional universities, Washburn University would increase student tuition by half that amount until the time that student tuition at Washburn University equals that at the regional universities.

Consolidation and Affiliation Provided For

- Community colleges, technical colleges, or area vocational schools would be able to consolidate with each other upon petition of the institutional governing boards, subject to the approval of the Council.
- Registered voters of a district could initiate a process by which the governing board of a community college, technical college, or an area vocational school would have to place the matter of consolidation with another postsecondary institution on the agenda of its next regular board meeting. Placement of the matter on the agenda would be required upon the petition of 15 percent of the registered voters of the district. The board would be required to either reject the petition or agree to the consolidation of institutions. If the petition is rejected by the governing board, another petition could not be initiated for twelve months.
- Institutions that consolidate would be eligible for additional state aid that would be provided as an incentive for institutions to consolidate or affiliate.
- A community college, technical college, or area vocational school governing board would be able to affiliate with a public four-year university by submitting a petition to the Council to become a unit of the four-year institution.
- Petitions submitted by community colleges would be subject to a protest petition of 15 percent of the registered voters of the community college district.

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Attachment 1-9

- Any proposal to affiliate would be subject to the approval of the Council pursuant to the rules and regulations adopted by the Council and would have to be specifically authorized by the Legislature.
- Community college operating mill levies would be eliminated upon affiliation.
- Specific legislation authorizing the affiliation of a community college, technical college, or area vocational school with a public four-year institution would provide authority for the levy of a local property tax for capital improvements and debt retirement.
- Local community college, technical college or area vocational school governing boards would be retained and would have jurisdiction over noncredit economic development courses and community service activities.
- Institutional heads would be hired by the head of the affiliated university and budget requests would be part of the university request.

Student Financial Assistance Programs Created

- A new state scholarship program, known as the Dwight David Eisenhower Scholarship Act, would be created whereby an award would be made to pay tuition and fees for eight semesters or the equivalent for any Kansas resident who qualifies as a finalist for a national merit scholarship to attend full time an undergraduate program at any public postsecondary institution in Kansas. Funding would be available for the program beginning in FY 2001.
- Beginning with the fall semester of 2000, financial assistance would be provided to eligible students for all or part of the tuition and fees charged by public postsecondary institutions for up to eight semesters or the equivalent. The assistance would be for students with demonstrated need who maintain the equivalent of at least a 3.0 grade point average. The program would augment and supplement other available financial assistance.

Tax Credit Established

- The House Committee of the Whole added an amendment that would create an annual Kansas income tax credit (of up to \$500 per dependent) equal to the amount paid for tuition, textbooks, and fees. The credit would be allowed for married taxpayers filing a joint return whose adjusted gross income is \$80,000 or less, or for other taxpayers whose adjusted gross income is \$40,000 or less. The tax credit would be for dependents' expenses to attend any public postsecondary institution, as defined in the bill, or an accredited independent college or university.

Multi-Year Appropriations Made

- The enhanced funding recommended in the bill would be in addition to typical base budget funding increases and would be intended to enable postsecondary educational institutions to achieve a level of excellence that would not otherwise be possible.

FY 1999. Total funding of \$6.6 million would be appropriated as follows:

- \$6.4 million for equity and enhancement funding for existing Regents institutions, appropriated to the individual institutions; and
- \$200,000 in start-up funding for operations of the Kansas Council on Higher Education

FY 2000. Total funding of \$81.6 million would be appropriated as follows:

- \$21.6 million for equity and enhancement funding for existing Regents institutions, appropriated to the individual institutions;
- \$13.2 million in the budget of the State Board of Regents for Washburn University property tax mill levy reduction and transition expenses;
- \$1.0 million for operations of the Council; and
- In the budget of the State Department of Education: \$44.1 million for community college property tax mill levy reduction and enhancements; \$1.0 million for technical college and area vocational school technology improvements; and \$700,000 for community college technology improvements.

FY 2001. All funding, totaling \$100.4 million, would be appropriated to the Council on Higher Education as follows:

- \$25.0 million for equity and enhancement funding for all institutions under the governance or coordination of the Council;
- \$14.6 million for Washburn University property tax mill levy reduction and transition expenses;
- \$44.1 million for community college property tax mill levy reduction and enhancements;
- \$1.0 million for technical college and area vocational school technology improvements;
- \$700,000 for community college technology improvements;
- \$1.0 million for operations of the Council;
- \$8.0 million for consolidation and affiliation incentives; and

- \$6.0 million for financial assistance for students at public postsecondary educational institutions.

FY 2002. All funding, totaling \$127.4 million, would be appropriated to the Council on Higher Education as follows:

- \$50.0 million for equity and enhancement funding for all institutions under the governance or coordination of the Council;
- \$14.6 million for Washburn University property tax mill levy reduction and transition expenses;
- \$44.1 million for community college property tax mill levy reduction and enhancements;
- \$1.0 million for technical college and area vocational school technology improvements;
- \$700,000 for community college technology improvements;
- \$1.0 million for operations of the Council;
- \$8.0 million for consolidation and affiliation incentives; and
- \$8.0 million for financial assistance for students at public postsecondary educational institutions.

Timeline of Significant Dates

- January 1, 1998—Tax credit provision commences;
- July 1, 1998—Enhancement and equity funding begins for Regents institutions and Council, contingent on passage of constitutional amendment;
- November 3, 1998—H.C.R. 5049 approved by voters;
- February 1, 1999—Governor appoints members to initial Council on Higher Education;
- July 1, 1999—\$81.6 million is appropriated for postsecondary educational enhancements, property tax relief, and Council operations;
- June 30, 2000—State Board of Regents ceases operations;
- July 1, 2000—Council assumes control and supervision responsibilities over the existing Regents institutions and Washburn University; community colleges, technical colleges, and area vocational schools are transferred to the Council for purposes of coordination; funding available for the Dwight David Eisenhower Scholarship Act and the new program designed to provide financial assistance for students at public postsecondary educational

institutions; and \$100.4 million is appropriated for postsecondary educational enhancements, property tax relief, and Council operations; and

- July 1, 2001—\$127.4 million is appropriated for postsecondary educational enhancements, property tax relief, and Council operations.

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Attachment 1-13

BRIDGING THE GAP: HIGHER EDUCATION FOR A NEW CENTURY

Prior Postsecondary Studies

Since 1972 and the work of the Master Planning Commission, there have been numerous other entities over the past 25 years studying postsecondary education in Kansas and offering alternative recommendations about how to restructure the system. Some of the groups were charged by the Legislature with that task, while others were authorized by the Governor, the State Board of Regents, or the State Board of Education. In other cases, groups or individuals assumed that responsibility on their own initiative. No fewer than 25 studies have been completed in the past quarter century. The number of studies alone may be one indicator of a perception that something may be "broken" in the postsecondary system and that different parts or even the entire system may need to be "fixed" based on the recommendations produced by the studies.

Although few recommendations from various studies have been implemented, change has taken place. There have been mergers of community colleges with area vocational schools and the development of regional consortia by groups of institutions. Other potential mergers have been considered, including Fort Hays State University and Barton County Community College, and Pittsburg State University and Labette County Community College. Legislation passed in 1994 allows area vocational schools to become technical colleges. Four schools have made that conversion to degree-granting institutions. An attempt at statewide coordination was undertaken in the 1990s as a result of the Legislative Educational Planning Committee (LEPC) directive that brought the State Board of Regents and the State Board of Education into joint meetings.

Since 1993, however, legislative complaints have grown more persistent that there had been enough studies and not enough action. The 1995 Legislature, in response to this complaint and at the initiative of the House Select Committee on Postsecondary Education, enacted H.B. 2553 creating the Kansas Council on the Future of Postsecondary Education. Its primary responsibility was to develop a comprehensive state plan for postsecondary education in Kansas.

Two years later in March of 1997, the Council submitted a summary of its conclusions and recommendations to the Legislature. Included was the statement that "The Council has no plans for any additional meetings." Rather than developing a plan, the Council became another study group which produced a vision statement and three different governance and coordination options.

Most recently, a proposal was introduced during the 1997 Session to reorganize postsecondary education under a Commissioner of Higher Education. The 1997 interim produced another study that recommends enhancements and changes in the way the state finances community colleges and Washburn University.

The issue of whether the Kansas postsecondary education system needs to be restructured is being addressed by the 1998 Legislature and specifically by the House Select Committee on Higher Education. Aims C. McGuinness, Jr., told the LEPC during the 1994 interim that, in his opinion as a consultant for the National Center for Higher Education Management Systems:

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Attachment 1-14

How to shape the structures and policies for a constructive relationship between the state and higher education will be one of the most important challenges of the next decade. It is time for states to step back and examine the relevance for the next century of structures formed for an earlier time.

Also being considered this session is financing for the Kansas postsecondary system.

House Select Higher Education Committee

The members of the Committee are:

David Adkins, Chairperson
Joe Kejr, Vice-Chairperson
Ed McKechnie, Ranking Minority
Member
Mike Farmer

Jim Garner
Henry Helgerson
Andrew Howell
Jan Pauls
Shari Weber

The Committee goals are to:

- review the several studies of postsecondary education funding, coordination, and governance over the years, in particular the report of the Joint Committee from the 1997 interim session;
- determine the most effective and cost-efficient method of governance or coordination or public postsecondary institutions within Kansas;
- examine the goals and missions of Kansas postsecondary institutions to determine if Kansas' institutions have world class attributes and if targeted excellence funds would help institutions meet those goals;
- review the current use of technology and examine the potential for greater use of technology in preparing Kansas students for the next century;
- review the equity of faculty salaries in Kansas to determine if Kansas is competitive in attracting and retaining world class faculty;
- review the current funding mechanism of Kansas higher education institutions to determine the potential for a more economic use of Kansas' resources in serving the needs of Kansas' students, business, industry, and our population; and
- determine if property taxes currently used to fund some functions can be replaced by other revenue sources.

The schedule for the Committee:

- initial report by 30th day of the session (February 10, 1998); and
- final report prior to *sine die* of the 1998 Legislature (May or June).

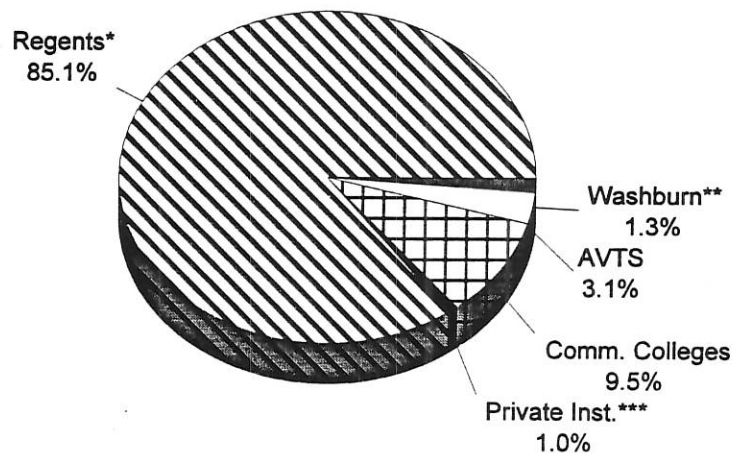
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Attachment 1-15

Profile of Kansas

Residents of Kansas are high users of the state's postsecondary education system—78 percent of the state's high school graduates attend a postsecondary institution. Kansas also has a large number of institutions per capita, making access to an institution for a lifetime of learning relatively easy for most residents.

The state provides a high level of state support for its postsecondary institutions and has traditionally kept student tuition low in order to make an education affordable. Of total State General Fund expenditures, 15 percent are for postsecondary education. The charts below show how the state postsecondary education dollars and headcount enrollments are spread among the sectors:

State General Fund Postsecondary Expenditures by Type FY 1999 Governor's Recommendation



* Excludes Comprehensive Grant Program and Washburn Operating Grant.

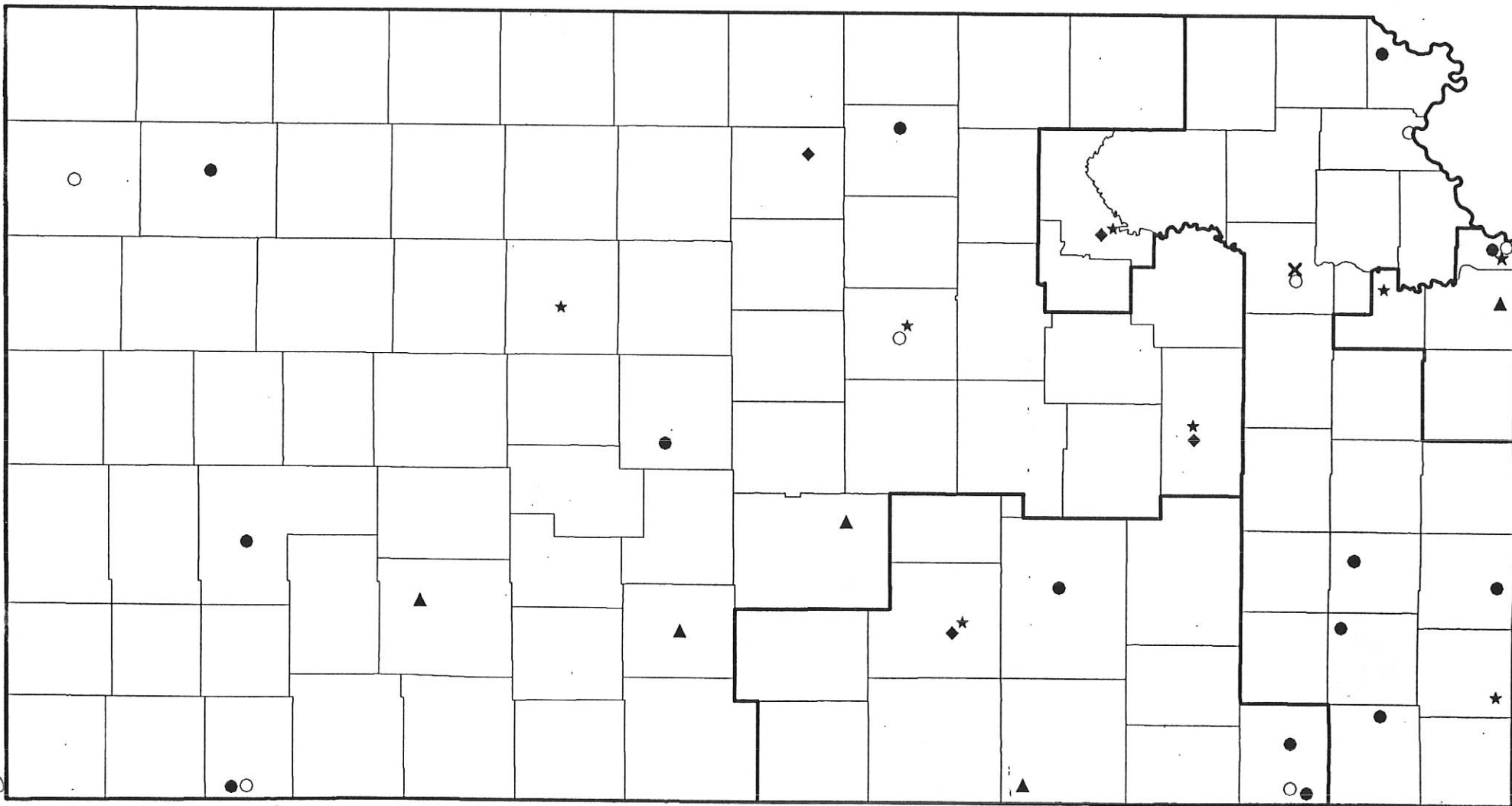
** Includes Operating Grant, Public TV Grant, and Proportionate Share of Comprehensive Grant Program funding.

*** Includes Proportionate Share of Comprehensive Grant Program funding.

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Attachment 1-16*

Kansas Public Postsecondary Institutions

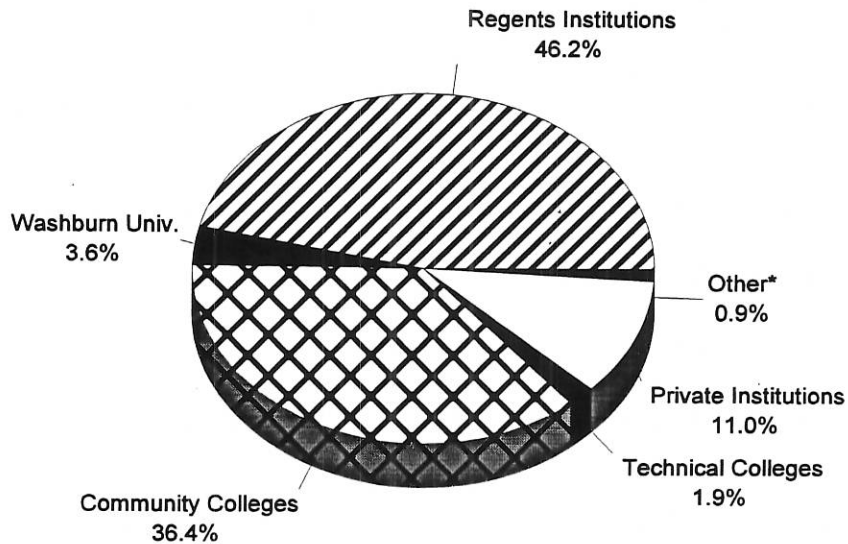
1-176



- ★ Regents Institution -- Six universities and a medical center under the governance of the Kansas Board of Regents
- Community College -- Fourteen under the control of local boards of trustees, supervised by the State Board of Education
- ◆ Technical Colleges--Four under the control of a single district board of education or a multi-board, supervised by the State Board of Education
- ⊗ Municipal University -- One under the control of a local governing board
- ▲ Community College/Area Vocational School -- Five community colleges that are designated area vocational schools under the control of local boards of trustees, supervised by the State Board of Education
- ⊙ Area Vocational School -- Seven under the control of a single district board of education or a multi-board, supervised by the State Board of Education

Attachment 1-16
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Kansas Higher Education Institution Enrollment Fall 1997 Headcounts



Note: Does not include data from seven AVTS.

*Barclay College, Central Baptist Theological Seminary, Haskell Indian Nations University, Kansas City College and Bible School, and Manhattan Christian College.

The state's institutions are diverse and represent a public and private mix that serves different clientele and offers everything from community services to high-level graduate, professional, and research programs. Kansans value education and think of postsecondary institutions as partners with the private sector in the economic development of the state. The public postsecondary education system consists of institutions that are under the jurisdiction of two constitutionally-created boards, one of which is responsible for elementary-secondary education, and a municipal university under the governance of a local board. Community colleges, technical colleges, and area vocational schools also have local governing boards.

IDENTIFIED STRENGTHS AND WEAKNESSES OF THE PRESENT SYSTEM

The Committee spent significant time in identifying the strengths of the current postsecondary education system, and identifying the weaknesses (along with the barriers to change) inherent in the current system.

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Attachment 1-18*

Strengths

Four-Year Institutions

- **Distinct Missions of Each Institution** provide a diversity of offerings and allow the institutions to be responsive to those established missions.
- **Strong Public Support for Institutions** has allowed the institutions to become quite adept at raising funds from private sources.
- **Research Support** for government and business in Kansas is strong.
- **Low Tuition Rates** provide good value for students.
- **Institutional Leadership** is strong.
- **High Ability Scholars** are attracted to the institutions.

Community Colleges, Technical Colleges, and Area Vocational Schools

- **Responsive to Student Needs** in regard to service areas, access, and flexibility of course offerings.
- **Public/Private Partnerships in Place** provide business support, job training and retraining services, and foster economic development in the state.
- **Established Missions** are relevant to the concepts of lifelong learning and the educational needs of the 21st century.
- **Low Tuition Rates** provide good value for students.
- **Local Support/Control** makes institutions responsive to the needs of the community.

Systemic Weaknesses/Barriers to Change

- **Lack of a Focal Point** gives the perception that no one is "in charge" of postsecondary education in Kansas, and hinders any kind of systemic coordinated strategic planning.
- **Perceptions of Unnecessary Duplication of Course and Program Offerings** lead to confusion regarding the relative missions of the various institutions.
- **Mutual Mistrust of the Parties Involved** (Legislature vs. Institutions, Institutions vs. Institutions, Community Colleges vs. Universities) leads to low confidence that parties will follow through on commitments made, to perceived inequities in funding and defensive posturing.

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Attachment 1-18

- **Legislative Leadership** (Legislative Educational Planning Committee) has failed to achieve its intended purpose to plan for postsecondary education.
- **Current Funding Mechanisms** often encourage negative competition for students; and reward institutions for "bodies" only, with little regard for quality or respect for service area boundaries.
- **Lack of a Central Data Resource** weakens the Legislature's oversight ability and hinders the institutions in demonstrating their accountability in providing accessible, affordable educational opportunities.
- **Current Constitutional Structure** impairs Executive Branch involvement in postsecondary education policy.

Committee Findings

The Committee finds many strengths in higher education in Kansas and believes that the state has a good system, but it can be better. It should be excellent. The quality of our programs can be improved and the system can become more equitable. Based on its review, the Committee makes the following findings:

I. Educational Leadership

If Kansas is to reach its economic potential, the Kansas postsecondary education system needs to meet the challenges of access, quality, articulation, accountability, and enhanced research and service. Currently, there is a vacuum of leadership in the governance and coordination of postsecondary education in Kansas. Institutions have been left without the support of a single advocate to clearly articulate their needs. This has compromised postsecondary education's ability to contribute to the academic and economic development of Kansas.

II. Educational Commitment

The responsibility of community college education traditionally has been vested in communities. The Committee finds that community colleges have evolved from local institutions into centers of lifelong learning with statewide missions. This requires the state to become more of a partner to fund and coordinate community colleges with four-year institutions.

Specifically, the Committee finds:

Community Colleges

- ▶ Local property taxes have been relied on too heavily as a funding source and such reliance is inappropriate for institutions with regional and statewide missions.

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Washburn University

- ▶ Local property taxes have been relied on too heavily as a funding source for Washburn University. Washburn University should be treated as a full partner in the state's university system in recognition of the important function the University serves.

Technical Colleges and Area Vocational Schools

- ▶ Technical Colleges and Area Vocational Schools have evolved from being institutions of training for students desiring entry-level employment to institutions providing lifelong learning, training for high technology employment, and preparation for re-entry to the workforce with enhanced economic security.

III. Educational Excellence

The Legislative and Executive Branches of government have failed to define and insist upon world-class standards for postsecondary education. Because of this, current funding mechanisms are not tied to the achievement and maintenance of excellence. There should be a commitment by policymakers to sharpen and fund the distinct areas of excellence at the state's four-year institutions in order to meet the evolving needs of consumers of higher education in Kansas. The Committee further finds that Kansas State University, the University of Kansas, and Wichita State University should seek to increase their national ranking as research institutions within their missions.

IV. Educational Access

Recognizing concerns over the access of the citizens of the state to postsecondary education, attention should be given to the concepts of a virtual university and a commitment should be made to make courses and programs available so that students can graduate in four years.

V. Educational Oversight

The Legislative and Executive Branches of government have failed to provide the oversight and support necessary in order for the state's public postsecondary institutions to attain world-class standards.

Expected Outcomes

If the Committee's proposal is adopted, Kansas will have a coordinated, comprehensive system of excellence through instruction, research, and life-long learning opportunities that benefit the residents of the state and promote economic development. The system will be flexible and responsive to future needs and demands, will be accessible to students in all parts

ATTACHMENT 1-21

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~~Attachment 120~~

of the state, will provide programs of national and international distinction, and will be built upon the goodwill and cooperation of educators and policymakers working toward a common goal to improve the system.

Central to the Committee's vision are clearly defined missions for each public postsecondary education sector and, within these broad parameters, for the institutions individually. The broad parameters are:

Research Institutions and Public Universities. The public universities should, depending upon their specific missions, provide college-level education at the baccalaureate, master's, professional, and doctor of philosophy degree-levels that lead to continued education or employment. They also should be a resource to the state and their local communities. The research institutions, utilizing both public and private resources, should engage in programs of intellectual distinction and practical application. Each institution should identify and nurture programs of uniqueness that achieve national and international distinction.

Community Colleges. Community colleges should provide pre-baccalaureate certificates and degrees that lead to continued education at a four-year university or lead to employment or job retraining. Community colleges also should serve as a resource to their communities, provide life-long learning opportunities, and meet the demands of business and industry.

Technical Colleges and Area Vocational Schools. Technical colleges and area vocational schools, depending upon the type of institution, should offer programs at the associate degree or certificate levels that provide occupational and technical training leading to employment or job retraining. To the extent possible, program graduates should be able to easily move to other postsecondary education institutions. Technical colleges and area vocational schools should have strong ties to their service areas and cultivate private sector support, both financial and programmatic, from employers in their communities.

To the general definition of each public postsecondary education sector, the Committee adds a definition of the role of the Governor and the Legislature:

State-Level Policymakers. The Governor and the Legislature should establish a public agenda that sets forth the expectations for public postsecondary education in Kansas; provide the framework within which the system can operate, and allocate resources on the basis of performance as measured by the attainment of these expectations.

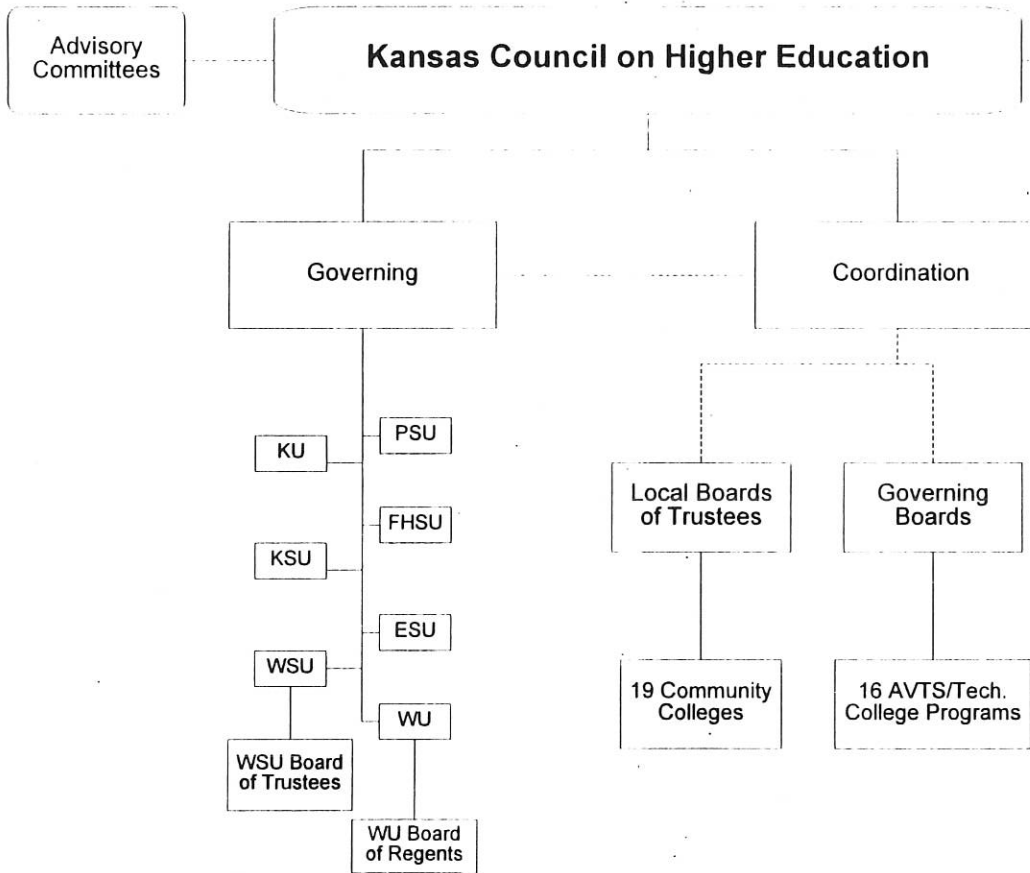
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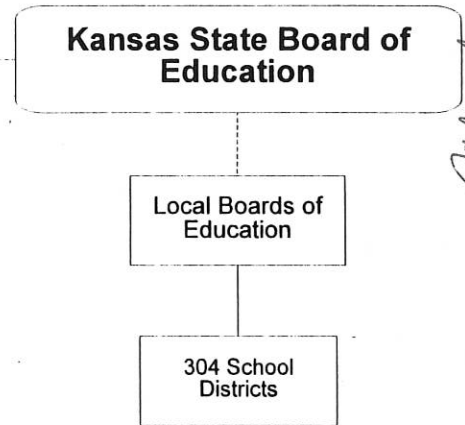
Attachment 1-22

EDUCATION LEADERSHIP IN KANSAS

Higher Education



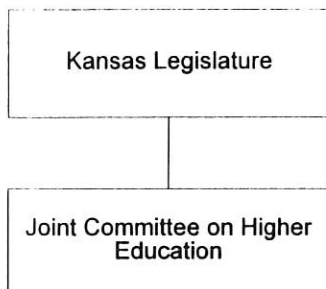
K-12 Education



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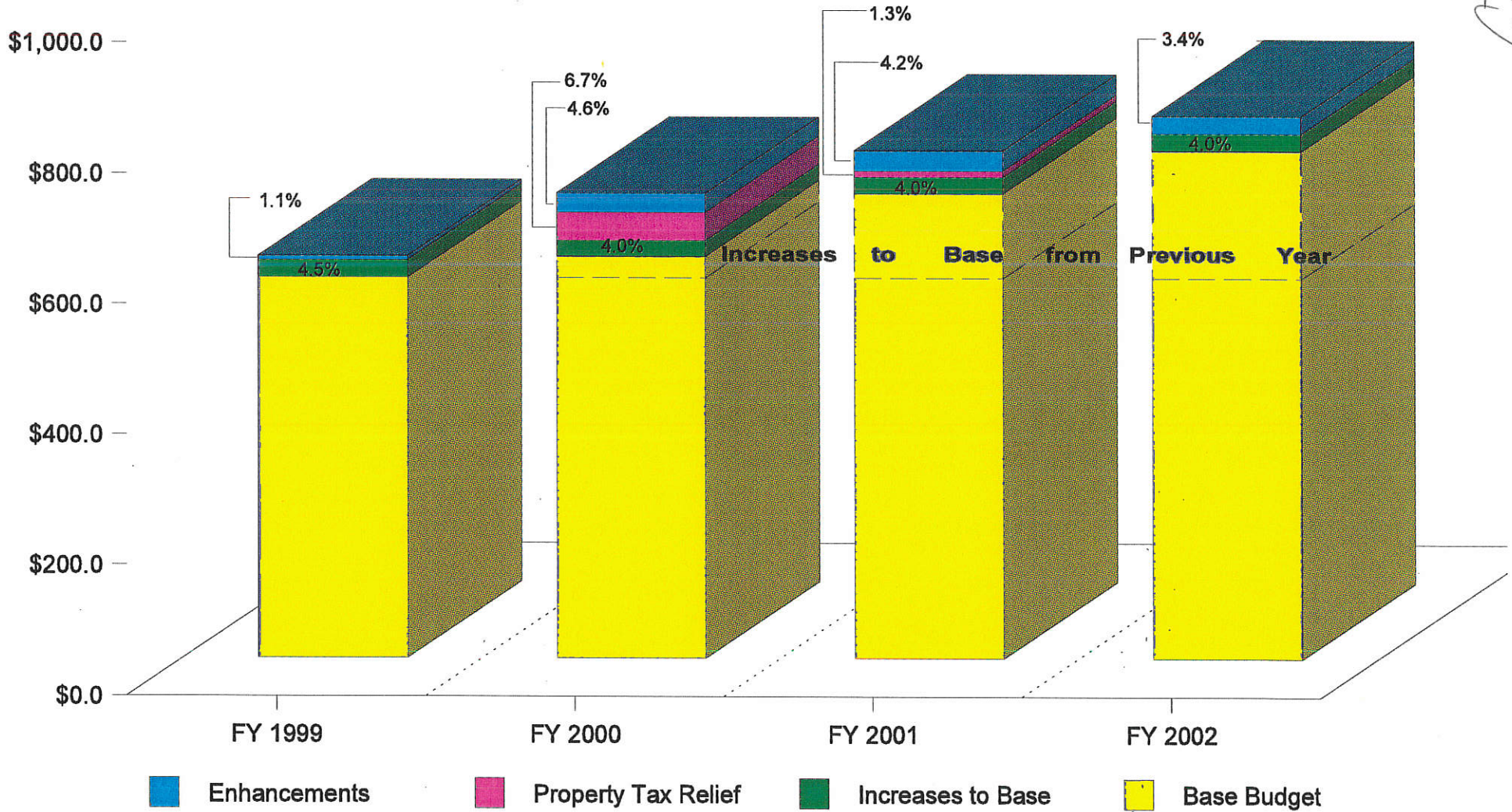
Attachment 1-23

Legislative Oversight



State General Fund Financing of Higher Education in Kansas (In Millions)

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Attachment 1-24*



**Proposed Higher Education Funding Increases
(In Millions)**

(Subsequent to Approval by Voters of Constitutional Amendment)

Annual Increases

FY 1999

Property Tax Relief:

\$0.0	Out-District Tuition and Community College Operating Mill Levy Reductions	
<u>0.0</u>	Washburn University (mill levy reduction)	
<u>\$0.0</u>	Subtotal - Property Tax Relief - FY 1999	

Enhancements:

6.4	Regents Excellence	
	University of Kansas	\$ 1,978,240
	Kansas State University	1,244,800
	Wichita State University	535,040
	Emporia State University	279,680
	Pittsburg State University	343,680
	Fort Hays State University	326,400
	KSU-Extension and Ag. Research	519,040
	KU Medical Center - Education	1,046,400
	KSU-Veterinary Medical Center	<u>126,720</u>
	TOTAL	<u>\$ 6,400,000</u>
<u>0.2</u>	Coordinating Board Operations	
<u>\$6.6</u>	Subtotal - Enhancements - FY 1999	
<u>\$6.6</u>	Grand Total - FY 1999	

FY 2000

Property Tax Relief:

30.0	Community College Mill Levy Reductions	
<u>13.2</u>	Washburn University (mill levy reduction)	
<u>\$43.2</u>	Subtotal Property Tax Relief - FY 2000	

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Annual Increases

Enhancements:

1.0	AVTS Capital and Technology Improvements		
0.7	Community College Technology Enhancements		
11.5	Community College Financing Enhancements		
15.2	Regents Institutional Enhancements		
	University of Kansas	\$	4,698,320
	Kansas State University		2,956,400
	Wichita State University		1,270,720
	Emporia State University		664,240
	Pittsburg State University		816,240
	Fort Hays State University		775,200
	KSU-Extension and Ag. Research		1,232,720
	KU Medical Center - Education		2,485,200
	KSU-Veterinary Medical Center		300,960
	TOTAL	\$	<u>15,200,000</u>
<u>0.8</u>	Coordinating Board Operations		
<u>\$29.2</u>	Subtotal - Enhancements - FY 2000		
<u>\$72.4</u>	Grand Total - FY 2000		

FY 2001

Property Tax Relief:

0.0	Community Colleges		
8.0	Merger/Affiliation		
<u>1.4</u>	Washburn University (mill levy reduction)		
<u>\$9.4</u>	Subtotal Property Tax Relief - FY 2001		

Enhancements:

25.0	Enhancements and Equity for All Institutions Under Governance or Coordination of Council on Higher Education		
6.0	Financial Assistance for Students at Post-Secondary Educational Institutions		
<u>\$31.0</u>	Subtotal - Enhancements - FY 2001		
<u>\$40.4</u>	Grand Total - FY 2001		

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Attachment 1-26

Annual Increases

FY 2002

Property Tax Relief:

0.0 Community Colleges
0.0 Washburn University (mill levy reduction)
\$0.0 Subtotal Property Tax Relief - FY 2002

Enhancements:

25.0 University Enhancements and Equity for All Institutions
Under Governance or Coordination of Council on Higher
Education
2.0 Financial Assistance for Students at Post-Secondary Educa-
tional Institutions
\$27.0 Subtotal - Enhancements - FY 2002

\$27.0 **Grand Total - FY 2002**

Summary of Increases—FY 1999-FY 2002

\$52.6 Property Tax Relief
93.8 Enhancements
\$146.4 **Grand Total Increases- FY 1999 - FY 2002**

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Attachment 1-27*



Kansas State Department of Education

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

March 9, 1998

TO: House Select Committee on Higher Education

FROM: Dale M. Dennis, Deputy
Commissioner of Education

SUBJECT: Proposed Community College Finance Plan

Attached is a listing of the provisions contained in your proposed community college finance plan and a simulation of its effects on each community college.

The simulation is based upon the 1996-97 community college operating budgets times 105 percent.

This computer printout does not take into account the additional costs to community colleges that may affiliate with State Board of Regents institutions.

	<u>1997 - 1999</u>	<u>Estimated 1999-2000 Implementation</u>	<u>Difference</u>
Credit Hour State Aid	\$ 41,457,678	\$ 74,546,740	\$ 33,089,062
Out-District State Aid	12,225,973	13,561,171	1,335,198
General State Aid	2,642,795	0	(2,642,795)
Administrative State Aid	0	5,700,000	5,700,000
Operating Grant/ 30 Percent Guarantee	0	3,997,444	3,997,444
TOTALS	\$56,326,446	\$ 97,805,355	\$ 41,478,909
Less Amount Recommended by Governor - FY-99			<u>1,036,440</u> \$ 40,442,469

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Attachment 1-28

PROPOSED COMMUNITY COLLEGE STATE AID PLAN
FULL IMPLEMENTATION

This proposed community college state aid plan includes the following provisions.

- Repeals out-district tuition.
- Provides that out-district state aid remain at \$24 per credit hour.
- Increases credit hour state aid from \$30.50 to approximately \$51.75 per credit hour.
- Repeals general state aid .
- Provides for administrative state aid of \$300,000 per community college.
- Increase vocational education weighting from 1.5 to 1 to 2 to 1 for the 14 community colleges that do not have AVTS designation.
- Repeals the academic out-district credit hour state aid limitation for students with over 64/72 credit hours.
- Provides an operating grant to four community colleges. This amount will be frozen at the dollar amounts computed in Column 17.
- The budget would be determined by the board of trustees (current law). Student tuition will be left to the new Council on Higher Education.
- Provides an exemption from the current tax lid and places a 20-mill limitation on the general, vocational, and employee benefit funds which will become the general operating fund for community colleges. Any community college that caps their mill levy at 20 mills may increase the amount of the dollars levied by 2.5 percent of the prior year.
- Provides that 50 percent of all state aid increase must be used for property tax relief less loss of out-district tuition. This provision would apply only to the first year of the plan until fully implemented.

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Attachment 1-29

PROPOSED COMMUNITY COLLEGE STATE AID PLAN
FULL IMPLEMENTATION

- COLUMN 1 -- 1996-97 Credit hour state aid
- 2 -- 1996-97 Out-district state aid
- 3 -- 1996-97 General state aid
- 4 -- 1996-97 Total state aid (Column 1 + 2 + 3)
- 5 -- 1998-99 Estimated credit hour state aid (Proposed plan--\$51.75)
(Current law--\$30.50)
- 6 -- 1998-99 Estimated out-district state aid (Current law--\$24 out-district state aid)
- 7 -- 1998-99 Estimated administrative state aid
- 8 -- 1998-99 Estimated total state aid (Proposed plan)
(Column 5 + 6 + 7)
- 9 -- Difference in state aid (Column 8 - 4)
- 10 -- 1998-99 Estimated loss of out-district tuition
- 11 -- 1998-99 Estimated increase in state aid less out-district tuition
- 12 -- 1997-98 Estimated mill rates from community college budgets
- 13 -- 1997-98 Estimated millage equivalency of amount show in Column 11
- 14 -- 1997-98 Estimated assessed valuation from community college budgets
- 15 -- 1997-98 Estimated operating mill rates less increase in state aid and loss of out-district tuition (Column 12 - 13)
- 16 -- 1998-99 Estimated mills over 20 mills for selected community colleges
(Column 15 - 20 mills)
- 17 -- 1998-99 Estimated operating grant.

The operating grant is provided to insure the mill levies are decreased to 20 mills and guarantees a minimum of 30 percent of the operating budget by the computed amount shown in this Column.

- 18 -- 1998-99 Estimated millage equivalency shown in Column 17

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Attachment 1-30

Proposed Community College State Aid Plan

General, Vocational, Employee Benefit Funds

	Actual 96-97 State Aid				Proposed State Aid Plan				9	10	11	12	13	14	15	16	17	18
	97	97	97	97	CREDIT HOUR	OUT-DISTRICT	ADMINISTRATIVE	TOTAL PROPOSED	STATE AID	LOSS OF	INC STATE AID	97 MILL	MILLAGE	97 ASSD VAL	97 MILL	EST MILL	OPERATING GRANT	MILLAGE EQUIV
	CREDIT HOUR	OUT-DISTRICT	GENERAL STATE	ACTUAL	STATE AID ^a	STATE AID ^b	STATE AID	STATE AID	DIFFERENCE ^c	OUT-DISTRICT	LESS OUT-	RATES ^d	EQUIV.		RATES-	OVER 20	OR 30% GUARANTEE	OF COL 17
	STATE AID	STATE AID	AID	AID	\$51.75/CR HR	\$24CR HR				TUITION	DISTRICT	11	OF COL 11		MILLAGE EQUIV			
															COL 12 - COL 13			
Allen Co	1,008,819	523,450	117,203	1,649,272	1,956,771	604,037	300,000	2,860,808	1,211,536	523,450	688,086	20.176	11.375	60,489,096	8.801	0.000	0	0.000
Barton Co	2,832,523	1,271,807	302,478	4,406,808	5,913,524	1,498,389	300,000	7,711,913	3,305,105	1,271,807	2,033,298	32.098	13.532	150,257,446	18.564	0.000	0	0.000
Butler Co	3,987,108	1,882,020	430,337	6,299,465	7,913,507	2,196,608	300,000	10,410,115	4,110,650	1,882,020	2,228,630	21.261	8.025	277,722,770	13.236	0.000	0	0.000
Cloud Co	1,430,898	795,684	275,485	2,502,067	2,859,680	926,416	300,000	4,086,096	1,584,029	795,684	788,345	30.066	15.854	49,724,326	14.212	0.000	0	0.000
Coffeyville	1,047,686	251,652	84,129	1,383,467	2,057,218	290,102	300,000	2,647,320	1,263,853	251,652	1,012,201	37.191	12.157	83,263,142	25.034	5.034	419,176	5.034
Colby	1,208,521	570,084	136,788	1,915,391	2,430,258	657,188	300,000	3,387,446	1,472,055	570,084	901,971	23.434	13.515	66,739,849	9.919	0.000	0	0.000
Cowley Co	2,483,975	734,945	167,906	3,386,826	4,378,154	850,088	300,000	5,528,242	2,141,418	734,945	1,408,471	19.237	8.677	162,091,694	10.560	0.000	0	0.000
Dodge City	2,860,422	345,900	116,726	3,323,048	5,047,385	401,822	300,000	5,749,207	2,426,159	345,900	2,080,259	23.310	12.112	171,757,793	11.198	0.000	0	0.000
Fort Scott	1,171,687	496,632	137,773	1,806,092	2,430,898	580,481	300,000	3,311,179	1,505,087	496,632	1,008,455	20.507	16.720	60,312,714	3.787	0.000	0	0.000
Garden City	1,269,768	341,007	34,749	1,645,524	2,560,642	408,638	300,000	3,267,280	1,621,756	341,007	1,280,749	15.790	3.528	383,266,576	12.264	0.000	0	0.000
Highland	1,180,886	716,506	215,816	2,113,208	2,219,040	829,246	300,000	3,348,286	1,235,078	716,506	518,572	22.166	11.646	44,526,596	10.520	0.000	0	0.000
Hutchinson	2,833,541	731,777	101,209	3,666,527	5,021,484	856,285	300,000	6,177,769	2,511,242	731,777	1,779,465	18.430	5.041	353,019,446	13.389	0.000	0	0.000
Independence	739,134	195,732	49,245	984,111	1,486,752	233,828	300,000	2,020,580	1,036,469	195,732	840,737	33.033	9.663	87,004,017	23.370	3.370	293,186	3.370
Johnson Co	8,620,994	982,768	119,843	9,723,605	15,215,898	1,138,743	300,000	16,652,641	6,929,036	982,768	5,946,268	8.527	1.580	3,812,651,628	6.967	0.000	2,664,976	0.699
Kansas City	2,783,341	708,338	86,140	3,577,819	5,582,918	833,369	300,000	6,696,287	3,118,468	708,338	2,410,130	16.677	3.666	657,510,137	13.011	0.000	0	0.000
Labette	1,329,242	302,840	141,874	1,773,756	2,712,608	352,256	300,000	3,364,862	1,591,106	302,840	1,288,466	23.961	14.842	86,809,251	9.119	0.000	0	0.000
Neosho Co	693,516	249,192	43,069	985,777	1,397,069	291,085	300,000	1,988,154	1,002,377	249,192	753,185	30.599	11.186	67,334,963	19.413	0.000	0	0.000
Pratt	1,001,125	322,224	57,985	1,381,314	1,776,371	375,635	300,000	2,452,006	1,070,892	322,224	748,468	38.861	10.315	72,581,051	28.546	8.546	620,106	8.546
Seward Co	791,198	204,936	24,038	1,020,172	1,808,765	240,955	300,000	2,147,720	1,127,548	204,936	922,612	21.720	4.461	206,794,728	17.259	0.000	0	0.000
Total	39,274,184	11,627,294	2,642,771	53,544,249	74,546,740	13,561,171	5,700,000	93,807,911	40,263,662	11,627,294	28,636,368			6,833,837,223			3,997,444	

a All colleges funded at 2 for 1 vocational funding
b Out-District Tuition is eliminated. Included in this column is the estimated state aid for academic hour over 6472
c Proposed State Aid less Actual 97 State Aid
d General, Vocational, and Employee Benefits Funds

HOUSE SELECT COMMITTEE ON HIGHER EDUCATION

TOURS OF THE STATE

Thursday, February 12

7:15 Depart Forbes Field
8:05 Arrive Hays
8:30 Fort Hays State presentation
9:30 Enroute to airport
9:50 Depart Hays
10:30 Arrive Colby
11:00 Colby CC presentation
12:00 Lunch
12:30 Enroute to airport
12:50 Depart Colby
1:30 Arrive Garden City
2:00 Garden City CC presentation
3:00 Enroute to airport
3:20 Depart Garden City
3:45 Arrive Dodge City
4:00 Dodge City CC presentation
5:00 Enroute to airport
5:40 Arrive Pratt
6:00 Pratt CC presentation
7:00 Enroute to airport
7:15 Depart Pratt
7:50 Arrive Forbes Field

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Friday, February 13

7:00 Depart Topeka
8:00 Arrive Manhattan - Kansas State University
9:15 Depart Manhattan
11:00 Arrive Emporia State University
12:00 Lunch
12:30 Depart Emporia
2:00 Arrive Lawrence - Kansas University
3:00 Enroute Kansas City - Johnson County CC
4:00 Johnson County CC presentation
5:00 Depart for Topeka

Saturday, February 14

5:30 Depart Topeka
8:00 Arrive Fort Scott CC
9:00 Depart for Pittsburg
10:00 Pittsburg State University
11:00 Enroute Coffeyville
12:30 Arrive Coffeyville CC
12:30 Lunch
1:00 Coffeyville CC presentation
2:00 Enroute to Wichita
4:30 Wichita State University
5:30 Enroute Hutchinson
6:30 Hutchinson CC
7:30 Depart Hutchinson

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3/30/98
Attachment 1-33



WASHBURN UNIVERSITY

Office of the President

Testimony to
Senate Committee on Education
and
Senate Committee on Ways and Means
from
Jerry B. Farley, President
March 30, 1998

Re: HCR 5049 and Substitute for HB 2793

It is a pleasure to appear before you today and endorse the concepts and proposals contained in HCR 5049 and Substitute for HB 2793.

At the outset, I want to emphasize that we view these proposals as one plan for improving the coordination of Kansas post-secondary education. It is not the only option and it contains a number of elements which personally we might change. However, as a compromise proposal, it provides a foundation for significantly improving the coordination of post-secondary education in Kansas.

Since my arrival in Kansas last July, I have been impressed by the quality of the state's post-secondary education institutions. Yet, while we have high quality institutions attending to their missions, the state suffers from a lack of coordination in post-secondary education. This lack of coordination, in my judgment, is a function of the constitutional bifurcation which results in the Kansas Board of Regents governing one set of institutions while the State Board of Education coordinates another set.

I have stated, and continue to believe, that the most important issue facing Kansas higher education is that of coordination. Coordination is the issue which must be addressed if our students are to achieve success. Without a coordinating entity, students are the ones who must navigate their way through the system and, in essence, serve the coordination function. Without coordination, geographic access cannot be economically achieved; a comprehensive unified budget cannot be prepared; unnecessary duplication will occur; and, the quality of programs cannot be ensured. Without coordination, no one speaks for higher education.

What entity provides that coordination is less important than the existence of a high level of coordination. Currently, coordination is weak, voluntary, and frequently left to the student. Good intentions cannot always resolve difficult policy issues and structural changes are required.

Our perspective continues to be one which supports strong coordination of all of higher education at the state level with governance left to the specific institutions. Under this model, governance is localized, as we feel appropriate, while the state interests are those issues related to quality, access, finance and the interaction among and between institutions. Although we have some concerns regarding a structure where the same board exercises both governing and coordinating powers, we feel these are outweighed by the benefits to all institutions and to the state which will accrue under a strong coordination model.

Substitute for HB 2793 implements what the University has been requesting for the past decade: equity of treatment. It provides a mechanism by which Washburn will be operated and funded in a manner similar to its sister institutions. While the University will be expected to maintain a local mill levy for its capital improvements, overall integration into a state system will have been accomplished.

Equity of treatment is the crucial element in this plan. Washburn is a public institution and fulfills a mission in the state similar to that of the existing Regents institutions. Most of our students come from Kansas and our graduates stay in Kansas. We attract students from throughout the state and our graduates reside in every county in the state. To argue that local financial support somehow localizes an institution's educational mission ignores the pervasive role which higher education plays in the state's economic and cultural achievements. The benefits of higher education do not stop and end at city limits. Every state has accepted the responsibility for providing a publicly supported system of higher education to its residents. The proposals in HCR 5049 and Substitute for HB 2793 incorporate the basis for a coordinated public system of higher education in Kansas.

We appreciate this opportunity to express our support for HCR 5049 and Substitute for HB 2793. We look forward to working with you and your colleagues in crafting a system of post-secondary education which will serve us into the next century.

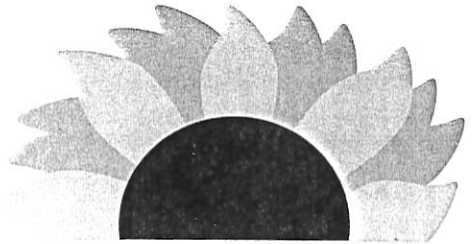
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3/30/98

Attachment 2-2

KANSAS

COMMUNITY COLLEGES

S I M P L Y W O N D E R F U L



Chairmen Kerr and Lawrence -- Senate Ways & Means and Senate Education

3/30/98

This is an exciting time in many/most states for post secondary education (and particularly community colleges) with very rapid changes occurring in student and business needs. Kansas Community Colleges have evolved from the middle 1960s, when they were created as an extension of high school, to highly technological institutions assisting with the training of our present and future work force.

We recognize and accept there will/must continue to be changes. The number of courses available over the Internet alone serve to remind us change is everywhere. Our trustees, administrators, faculty, staff and communities are excited to have this opportunity to tell our unique stories and to be at this table for a very timely discussion. ***As one president said to his Senators, "We have noticed that almost without exception, the more people learn about communities colleges, the more support we receive."

Many at this table today, and in this room, have served on Standing Education Committees, LEPC, many of the past 25 plus studies, --- as recently as The Council on the Future of Post Secondary Education -- Downey -- and this past interim on the Committee on Post Secondary Education -- Langworthy, Lawrence, Jones, Lee. As your staff has repeatedly reminded us, many of the suggestions recommended by these various groups have been implemented, but never has there been specific direction given by the legislative and executive branches or the commitment made to make the changes necessary to completely revamp/coordinate/fund all of higher education. Now you have another opportunity as you consider the future of post secondary education with the recommendations of the HOUSE SELECT COMMITTEE ON HIGHER EDUCATION. As you know, the members of this committee have worked very hard, in addition to their regular legislative responsibilities, to address a very difficult challenge.

Age-old questions have surfaced:

1. Can you separate Governance/Coordination, and Funding?
2. What accountability measures should we have?

The on-going dialogue has helped to bring some direction to several issues:

+++Are we getting Quid Pro Quo -- What control do you expect to get for Providing 27 (or even 30) percent commitment to the funding (that's statewide, it varies!)

+++One news report suggested our Chief Executive Officer said -- he didn't like to see classes springing up like discount stores -- He didn't say that. I asked -- and we aren't --- BUT, it isn't surprising we feel cursed if we do and cursed if we don't . . . Some would suggest outreach should be limited -- it is duplicative and this is only a grasp for further credit hour aid. Others seek a system that will require/DEMAND community colleges provide service off their main campus and outside their home county. It is an ongoing challenge to interpret the direction desired by the Kansas Legislature.

KANSAS ASSOCIATION OF COMMUNITY COLLEGE TRUSTEES

Jayhawk Tower, Suite 401 • 700 S.W. Jackson • Topeka, KS 66603-3757

Sheila Frahm, Executive Director
785-357-5156 or Fax 785-357-5157
E-Mail: frahmkaacct@ksnews.com

S w + m
3/30/98

Attachment 3-1

+++Property tax relief has to be a component of this discussion, but any suggested cap further identifies the uniqueness of our nineteen community colleges; some with quite low levies due to high assessed evaluations (LEVYS RANGE FROM 8.95 TO 38.78 and EVALUATIONS RANGE FROM 43.8 Million to 3.4 Billion), others are low because of very careful/creative administration and intentionally frugal decision making. Still, others are high for reasons unique to their college or location -- gas and oil price decline, demographic and enrollment changes, or decline in assessed evaluation.

+++Trying to establish a level of funding to come from tuition threatens to force potentially huge increased in the cost to students at some of our community colleges.

+++Still others recognize funding any changes will be a challenge when there are citizens who believe benefits received locally must exceed the cost and, as Senators Langworthy and Jordon know, this is a challenging situation to address.

+++Out district tuition is an ongoing frustration for non-community college counties, yet providing this property tax relief necessitates securing an alternative funding source.

+++Community Colleges are not "hungry puppies" (as suggested by one member of a state board "Board of Regents") who should be taken care of only after the "State University Families" needs are met, BUT rather we are institutions who take very seriously our responsibility to educate Kansas Students/Taxpayers, and to serve the businesses and industry where they are or will be employed, and must continue to secure an appropriate share of the available resources.

Seeking solutions to these and many other questions has given Kansas communities an opportunity to tell the stories of nineteen different campuses and their unique missions. **We believe it is most important to meet the needs of the students by providing accessible, affordable and top quality classes.** We know that only 25 percent of our students (statewide) are traditional 18, 19, 20 year old students who will attend two years and transfer to a college or university. Other students are obtaining the information necessary to earn a GED, returning for one course, brushing up on rusty skills or gaining new knowledge, desiring to train for a new career, or enrolling courses required for a current job. Their average age is 35 and many are a single parent -- often Mothers.

The KANSAS ASSOCIATION OF COMMUNITY COLLEGE TRUSTEES is a newly formed association following in the footsteps of KACC. The organizers of this new organization have been working since July 1, 1997 to tell of the strong commitment of the nineteen community colleges and their locally elected Trustees. Joint meetings have been initiated with the Area Technical Schools and Technical Colleges' leadership and our leaders look forward to continuing to work with these colleagues and those at the State Universities and private Colleges and Universities. Our members -- the trustees and the leadership selected by these trustees -- have and will continue to be available to share information, coordinate campus visits and identify benefits and implications of suggested changes.

Thank you for your interest. Handouts are available - QUESTIONS??


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Attachment 3-2

FISCAL YEAR '96 KANSAS COMMUNITY COLLEGE FUNDING SOURCES

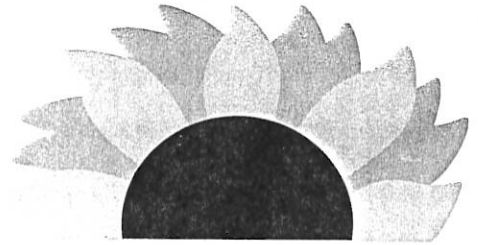
S. W. M.
3/30/98
Attachment 3-3

Comm. College	Revenue Sources				LOCAL			1996	
	STUDENTS	FEDERAL	STATE	COUNTY	TAX	DISTS	OTHER	TOTAL	1996 (\$Millions) Mill Levy
AllenCo	20.90%	0.72%	38.09%	6.59%	29.72%	3.99%	100.01%	22.18	59.5
BartonCo	19.85%	0.25%	33.91%	4.73%	35.85%	5.41%	100.00%	30.02	145.7
ButlerCo	24.87%	0.25%	31.67%	8.45%	27.76%	7.00%	100.00%	21.26	265.4
CloudCo	21.62%	0.00%	38.16%	11.42%	26.70%	2.10%	100.00%	30.95	48.3
Coffeyville	14.33%	4.20%	22.71%	1.56%	51.27%	5.94%	100.01%	37.19	85.6
Colby	27.77%	0.96%	29.72%	8.23%	23.58%	9.72%	99.98%	23.38	62.3
CowleyCo	18.14%	0.41%	35.52%	6.68%	35.10%	4.16%	100.01%	19.23	159.2
Dodge City	19.17%	2.09%	30.44%	2.97%	42.96%	2.38%	100.01%	25.51	163.8
FtScott	24.62%	4.09%	34.56%	7.65%	26.16%	2.92%	100.00%	21.18	56.6
GardenCity	14.16%	1.97%	19.85%	3.30%	56.99%	3.73%	100.00%	17.79	306.5
Highland	23.26%	0.77%	40.44%	11.03%	20.80%	3.70%	100.00%	24.20	43.8
Hutchinson	17.07%	2.33%	31.78%	4.74%	42.56%	1.53%	100.01%	19.37	327.6
Independence	10.08%	4.42%	22.03%	3.61%	57.91%	1.95%	100.00%	37.55	76.2
JohnsonCo	18.83%	0.20%	19.36%	1.15%	54.86%	5.60%	100.00%	8.95	3400.1
Kansas City	14.52%	1.44%	22.37%	2.81%	54.22%	4.64%	100.00%	16.34	620.1
LabetteCo	15.26%	2.98%	35.17%	5.65%	38.71%	2.23%	100.00%	24.83	84.0
NeoshoCo	15.48%	3.39%	26.80%	7.20%	43.54%	3.59%	100.00%	30.76	63.7
Pratt	12.13%	0.16%	26.89%	5.29%	52.42%	3.11%	100.00%	38.78	70.9
SewardCo	14.35%	0.00%	16.89%	2.72%	62.32%	3.72%	100.00%	28.43	172.6
ALL	18.59%	1.12%	26.75%	4.37%	44.53%	4.64%	100.00%		

KANSAS

COMMUNITY COLLEGES

S I M P L Y W O N D E R F U L



To: Members of the Senate Ways and Means & Senate Education Committees

March 30, 1998

Two legislative committees have made a real difference in the 1997-98 legislative cycle. The work and deliberations of the **Interim Committee on Higher Education**, (Reps. Empson, Chair, Reinhart, Vice-Chair, Wempe, Tanner, Sens. Langworthy, Lee, Lawrence, Jones) appointed by the Legislative Coordinating Council and the **House Select Committee on Higher Education**, (Reps. Adkins, Chair, Kejr, Vice-Chair, McKechnie, Ranking Minority, Farmer, Helgerson, Weber, Howell, Garner, Pauls) appointed by Speaker Shallenberger and Minority Leader Sawyer, have moved the ever ongoing discussions about higher education to a higher level than ever before. The results of their committee work is before you now -- HB 2793 and HCR 5049.

The Kansas Association of Community College Trustees is an organization of trustees representing the nineteen community colleges. These trustees, like you, are locally elected leaders. Each trustee takes their responsibility to their local taxpayers, their individual institutions and most importantly the STUDENTS, very seriously.

The mission of the nineteen community colleges is to provide top quality, affordable and accessible education to their students. About twenty-five percent of these students are traditional students, who will earn an Associate Degree and plan to move on to a college or university to complete their education. The other seventy-five percent are a combination of "non-traditional" students returning to college to begin a new career (get a job!), progress in a current job, update their skills and personal understanding, or are taking courses to meet a requirement of their current employer. These students are present and future taxpayers, who are and will be employees and, are the key to the economic development of the State of Kansas.

HB 2793 proposes a system to encourage (demand!) higher education that will help move Kansas toward the level of excellence that is demanded by our citizens. Of course, there are questions: Is this "the answer"? Are there "other answers"? Should there be amendments suggested? Will this really make a difference? Are we sure this proposed system can be sustained financially and structurally? Is this the final answer or will we be able to revisit the issue as the system progresses? Each of you will undoubtedly have different and equally valid answers to these questions. However, the real questions may be, Can we afford to not make a change and continue business as usual? It is time to say the answer is "NO"! Kansas's citizens, taxpayers and students deserve more.

This proposed solution provides an opportunity to invest in the future of Kansas, provide property tax relief, and assure that all Higher Education is at the table assisting in the planning, coordination and execution of education for the future.

Attached is the KACCT position statement adopted without opposition at the most recent Board Meeting on 2-12-98, individual board minutes, resolutions and letters indicating their appreciation, interest and support for this ongoing discussion. We do appreciate your attention to this issue, welcome questions and debate and, stand ready to assist in any way we can.

KANSAS ASSOCIATION OF COMMUNITY COLLEGE TRUSTEES

Jayhawk Tower, Suite 401 • 700 S.W. Jackson • Topeka, KS 66603-3757

Sheila Frahm, Executive Director
785-357-5156 or Fax 785-357-5157
E-Mail: frahmkacct@ksnews.com

SW+Jm
3/30/98

Attachment 4-1

Bridging the Gap: Higher Education for a New Century

An initial response by the
Kansas Association of Community College Trustees
And Council of Presidents
February 11, 1998

The Kansas Association of Community College Trustees and the Council of Presidents commend the Select Committee on Higher Education for meeting the lofty challenge of developing a visionary framework for postsecondary education within our state. We offer the following insights regarding that framework and stand prepared to assist in translating the committee's vision into action.

- It is evident that the Select Committee has considered thoughtfully past and present experiences to create a dynamic pathway to the future.
- The plan offers great promise to shape a comprehensive and coordinated system for postsecondary education within our state.
- The plan appropriately delineates the role of the Kansas Council on Higher Education as it relates to governance and coordination.
- The expectations as outlined in the plan will foster increased levels of excellence among all postsecondary institutions in Kansas.
- While KACCT and the Council of Presidents believe there are some intricacies within the plan that may need to be addressed, **we speak with one voice** in offering our support.

S W + m
3/30/98

Attachment 42



To Whom It May Concern:

The Board of Trustees at Allen County Community College voted in favor of the proposal drafted by the Select Committee on Higher Education at their regular meeting held March 11, 1998.

1801 N. Cottonwood
Topeka, KS 66749
(316) 365-5116

100 Bloomquist
Burlingame, KS 66413
(785) 654-2416

Delbert Nelson, Chairman

Spencer Ambler, Treasurer

Gary McIntosh, Vice Chairman

Fred Works, KACCT
Representative

Kay Mitchell, Secretary

Loren Korte, Board Member

Allen CC 3 w+m
3/30/98
Attachment 43



February 19, 1998

To the House Select Committee on Higher Education:

On behalf of the Barton County Community College Board of Trustees, and in concert with the Kansas Association of Community College Trustees and the Council of Presidents, we commend you for meeting the challenge of providing a visionary framework for Kansas postsecondary education.

It is evident that the Committee thoughtfully considered past and present studies in developing its comprehensive and coordinated plan for higher education. We believe that your plan offers the governance and coordination needed to foster excellence at all Kansas institutions and to lead the state into the 21st century.

With our strong support in mind, we hope that you will consider several suggestions shared earlier with the Committee by our College President, Dr. Veldon Law.

Specifically, we hope that the Committee will see the benefits of relying on some factor other than mills to define local support and of using the State of Kansas Budget Form CC-B to define the student contribution to community college budgets.

Regardless of the outcome of the committee's efforts, we implore you to continue the leadership you have initiated by supporting three legislative actions that are included in separate bills, as well as your own. These actions fall within the desires of the Select Committee's plan and would move the entire system in the right direction, should your effort be extended to the next legislative session.

1. Abolish vocational funding inequity by approving two-for-one vocational funding for all community colleges
2. Abolish the 64/72 limit on out-district aid and show unquestioned support of lifelong learning.
3. Remove the use of minutes in the statutory definition of credit hour. This definition is the state's most significant barrier to distance learning and adult retraining.

In closing, we are comforted by the fact that the Committee recognized the uniqueness of community colleges in the state's educational system and the importance of local

Barton CC

*S W + M
3/30/98*

control in serving student and community needs. We fully support your focus on building equitable and accountable funding and governance for all Kansas higher education entities.

Sincerely,



George Fregellas
Chairman



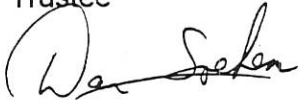
Stephan J. Mermis
Vice Chairman



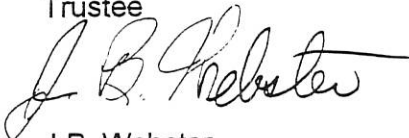
Larry Straub
Secretary



Rosalie Pennington
Trustee



Dan Soeken
Trustee



J.B. Webster
Trustee

S W+M
3/30/98

Attachment 4-5

**BUTLER COUNTY COMMUNITY COLLEGE
BOARD OF TRUSTEES
Regular Meeting - March 10, 1998**

<u>STAFF</u>		<u>TRUSTEES</u>	<u>VISITORS</u>
Jackie Vietti	Kent Williams	Gayle Krause	Steve Smith
Bill Rinkenbaugh	Vicki Long	David Cox	Tom Murry, ICI
Ted Albright	Paul Kyle	Brian Warren	Pete Ferrell
Jim Edwards	Jana Schartz	Bob Burch	Lori Maus
Blake Flanders	Susie Edwards	Ginger Elliott	Paul Hall
Kelly Snedden	Robert Carlson	Jim McFadden	Lantern Staff
Tom Erwin	Rich Buckles	Steve Pershall	Kari Ashenfelter/Stu.Sen.
Julie Wishart	Susie Van Tries		Lorraine Maus
Mary Moon	Larry Patton		
Lori Winningham	Pat Russell		
Marsha Mawhirter	Brian Beattie		
Connie Walton			

The Regular Meeting of the Butler County Community College Board of Trustees was called to order by Chairman Krause at 4:30 p.m.

APPROVAL OF AGENDA

Trustee Cox requested C-2 of the Consent Agenda (resignation of Patricia Anderson, Keyboard Music Instructor) be pulled from the Consent Agenda for action as a separate item. Trustee Pershall moved to approve the Board Agenda as amended. Trustee Warren seconded the motion and it carried unanimously.

REPORTS

A. Student Senate Report - Kari Ashenfelter reported on the success of the homecoming activities. She announced that the students will participate in a laser tag contest in the Kansas Room on April 9. Dr. Vietti recognized the efforts and leadership of Ms. Ashenfelter on the homecoming activities.

B. Faculty Report - Julie Wishart reported the faculty is watching the actions of the legislators concerning the governance issue. Several instructors are piloting on-line courses. A PTK induction ceremony is scheduled for March 18 in the BCCC Fine Art Theatre at 7:00 p.m.

C. Operational Staff Report - There was no report presented by the Operational Staff.

D. President's Report

1. Dr. Vietti gave a progress report on the proposed new plan for Kansas higher education developed by the Select Committee on Governance. She referenced the Board's recent retreat in which the trustees reached consensus to support KACCT's position with reference to plan. The Board went on record to reaffirm its support of the plan and the position of the Kansas Association of Community Colleges Trustees in reference to the plan.
2. Dr. Vietti reported that she will be attending a meeting of the Appropriations Committee on Wednesday to hear testimony regarding training for business and industries provided by the community colleges.
3. Project Connect, Welding Training Program - The Butler County Work Force Development Committee has been asked to make a presentation on this program at the North Central Conference in Chicago March 28-31. In addition, an open house for the welding facility is scheduled for April 24 from 11:00 - 12:30 p.m.. Dr. Vietti recognized Bufford Pringle and Blake Flanders for their efforts on this program.
4. BCCC Track Team placed third in the national competition.

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3/30/98
Butler CC
Attachment 4b



2221 Campus Dr.
P.O. Box 1002
Concordia, KS 66901-1002
(913) 243-1435
1-800-729-5101
FAX 913-243-1043

Office of The President

March 13, 1998

Representative David Atkins
Room 448-N, State Capitol
Topeka, KS 66612

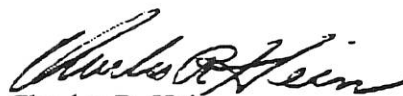
Dear Representative Atkins:

The Board of Trustees and College staff are extremely grateful for the dedicated work of the Select Committee working on governance and finance of higher education.

All of us have had an opportunity to review the materials and to discuss them fully. While we have not taken a formal vote, everyone with whom I have visited, including Board members, believes the need for property tax relief is of paramount concern and wants to pursue it. We are content to allow the governance part of the legislation to run its course, and we are prepared to live with the outcome whatever that might be.

In general, I think you can construe this as an endorsement of the legislation, and I will be happy to appear at any time on behalf of the bill.

Sincerely yours,


Charles R. Hein
President

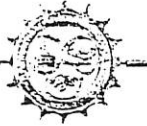
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cc: Sheila Frahm

Cloud CC
SWH
3/30/98
Attachment 4-7

Coffeyville Community College

400 WEST ELEVENTH
COFFEYVILLE, KS 67337-5064



February 26, 1998

Representative Jim Garner
601 E. 12th
Coffeyville, KS 67337

Dear Jim:

On Wednesday, February 25, the Coffeyville Community College Board of Trustees unanimously submitted their approval to endorse the KACCT statement, which was developed February 11, 1998.

Our College sincerely appreciates and supports the efforts the Select Committee on Higher Education has dedicated to this important issue. We commend them for their fine work.

Very truly yours,

Ronald E. Thomas, Ph.D.
President

RET:tj

cc: Floris Jean Hampton
Sheila Frahm

Coffeyville CC

*S w + m
3/30/98*

Attachment 4-8



**COLBY
COMMUNITY COLLEGE**

1255 South Range • Colby, KS 67701 • (785)462-3984

Dr. Mikel V. Ary, President

March 11, 1998

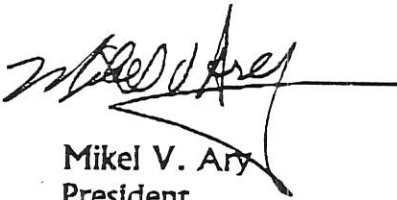
Representative David Adkins
Kansas House of Representatives
State Capitol
Topeka, KS 66612

Dear Representative Adkins:

The Board of Trustees and the faculty of Colby Community College express their support of the legislation drafted by the Adkins' Committee. For some time we have felt that Kansas community colleges deserved and needed greater attention and help from the state in its efforts to serve business and industry, economic development, and generally, the educational needs of the young people of Kansas.

In large part, this legislation addresses many of the concerns of our community colleges and we believe that the people of Kansas would be well served by the passage of this legislation. Those of us at Colby appreciate the work of your committee and urge the legislature to vote "yes" on House Substitute for House Bill 2793. Moreover, we appreciate members of the committee traveling to Colby in order to solicit our advice, direction, and opinions concerning this legislation.

Sincerely,



Mikel V. Ary
President

ba

Colby CC

J w+m
3/30/98

Attachment 4-9

Meeting of the Board of Trustees
Cowley County Community College
& Vocational-Technical School
February 16, 1998

The Board of Trustees of Cowley County Community College and Vocational-Technical School met in regular session at 7:00 p.m., Monday, February 16, 1998, in the Board of Education Room of U.S.D. #465 in Winfield, Kansas. Trustees present were: Mr. Albert Bacastow, Jr., Mr. Ron Godsey, Mrs. Donna Avery, Ms. LaDonna Lanning, and Mrs. Patti Hunter. Others attending the meeting included: Dr. Pat McAtee, Mr. Sid Regnier, Mr. Conrad Jimison, Mrs. Maggie Picking, Mr. David Andreas, Mrs. Libby Palmer, Mr. Tom V. Saia, Dr. Charles Kerr, Mr. Bud Shelton, Mr. Janice Neagle, Mr. Cliff Roderick, Mr. Ryan Kane, Mr. Tony White, and Mrs. Deb Nittler. Board member Dennis Shurtz was absent.

Noting a quorum present, the meeting was called to order by Mrs. Patti Hunter, Board Chairperson, and the Agenda was established. Call to Order

1) Mrs. Donna Avery, Mrs. Patti Hunter, Mr. Conrad Jimison, Mrs. Maggie Picking, and Dr. Pat McAtee attended the PIK/Day on the Hill on February 11-12. The reorganization of higher education and what it means to the College was discussed by the Board members. The Kansas House Select Committee on Higher Education announced its plan for the funding and governance of higher education. Mrs. Donna Avery recommended that the College support the Select Committee's report and send a letter to our area legislators regarding this.

Board Reports

Mrs. Donna Avery introduced and moved the adoption of the following resolution:

RESOLVED, That Cowley County Community College support the the Kansas House Select Committee on Higher Education report on governance, coordination, and funding of higher education.

The motion was seconded by Mr. Albert Bacastow, Jr. and carried

5-0.

Cowley CC
S W + M
3/30/98
Attachment 4-10

This letter and attachment were went
to the attached list of people

February 13, 1998

The Honorable «FirstName» «LastName»
«Address1»
State Capitol
Topeka, KS 66612

Dear «Title» «LastName»:

On Thursday, February 12, six of the nine members of the House Select Committee on Higher Education presented their proposal for restructuring governance, coordination, and financing of Kansas higher education on our campus. There were some fifty people present. It was a diverse group of faculty, staff, DCCC Board members, city and county officials, chamber of commerce representatives, and business people.

We appreciated being able to discuss the proposal face to face with Select Committee members. We believe the plan offers great promise for strengthening Kansas higher education, and look forward to working together to consider details and develop refinements.

Enclosed is a statement on the proposal adopted by the Kansas Association of Community College Trustees and Council of Presidents on February 11, 1998.

Please know you have an open invitation to visit us. Please contact me if we can be of service.

Sincerely,

Richard Drum
President

Enclosure

cc: DCCC Board of Trustees

Dodge City CC
SWM
3/30/98
Attachment 4-11

fax # (785) 357-5157

To: Sheila Tripp
From: Janna Trucks

RESOLUTION

WHEREAS, at the Fort Scott Community College Board of Trustees meeting held on February 23, 1998, it was agreed that the Board of Trustees should pass a resolution/action item in support of the initial response by the Kansas Association of Community College Trustees and Council of presidents, dated February 11, 1998, to the Select Committee on Higher Education.

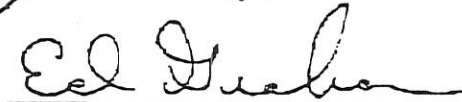
NOW, THEREFORE, BE IT RESOLVED:

That the Board of Trustees of Fort Scott Community College hereby lends its support to the initial response made by the Kansas Association of Community College Trustees and Council of Presidents, dated February 11, 1998, to the Select Committee on Higher Education.

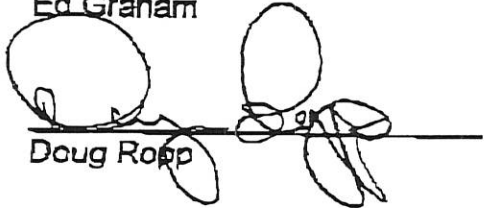
Dated this 23rd day of February, 1998.

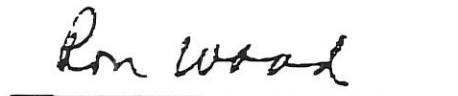

John Bartelsmeyer


Tim Emerson


Ed Graham


Bernita Hill


Doug Ropp


Ron Wood

ATTEST:


Carolyn K. Sinn, Board Clerk

Fort Scott CC

S W + M
3/30/98

Attachment 4-12



Date 02/19/98

Number of pages including cover sheet 1

TO: TERRY PRESTA
 ROBIN JENNISON
 GARY HAYZLETT
 GAYLE MOLLENKAMP

Phone
Fax Phone 785-368-6365

FROM: James H. Tangeman
 Garden City Community
 College
 801 Campus Drive
 Garden City, KS 67846

Phone 316-276-9533
Fax Phone 316-276-9573

CC:

REMARKS: Urgent For your review Reply ASAP Please Comment

On February 18, 1998, the members of the Board of Trustees at Garden City Community College unanimously expressed their support for the work and concept created by the Select Committee on Higher Education. While there are some features that have yet to be worked out, the Board feels that for the betterment of higher education, all entities must be under a single council to effect coordination, planning, supervision, and funding.

I also commend the members of this committee for their vision and extraordinary effort and their willingness to listen to the concerns. We are also impressed with their effort to try to create fairness and equity throughout higher education. We feel that their plan does create a system of higher education, which today is nonexistent.

It is important to realize that all 19 community colleges were supportive, at least on February 11 when we met in Topeka. I encourage your consideration and support of this plan.

Garden City CC

S.W.+m
 3/30/98
 Attachment 4-13

Highland Community College

March 11, 1998

Sheila Frahm
Executive Director
Kansas Association of Community College Trustees
700 SW Jackson, Suite 401
Topeka, KS 66603-3757

Dear Sheila,

After informally polling the members of our Board, I can assure you that the Highland Community College Board of Trustees generally endorses the postsecondary education restructuring plan being proposed by the House Select Committee on Higher Education.

We have been in contact with the legislative representatives in our eight county service area, informing them of our support.

See you at our next meeting. Until then,

Sincerely,

Joyce C. Rush
Joyce Rush
Chairperson
Highland Community College Board of Trustees

Highland CC

P.O. Box 68

Highland, Kansas 66035-0068

(913) 442-6000

FAX (913) 442-6100 *SWM*

Oldest Institution of Higher Learning in the State of Kansas

3/30/98

Attachment 4-14



OFFICE OF THE PRESIDENT

February 20, 1998

Chairman David Adkins
Select Committee on Higher Education
300 SW 10 Avenue, Room 448-N
Topeka, Kansas 66612-1504

Dear Chairman Adkins:

Thank you so much for including Hutchinson Community College in your three day tour of Kansas. The Board of Trustees met February 19, and voted to support the Select Committee on Higher Education's recommendations for changes in governance. It is the Board's belief that, while having considerable success under the current system, higher education in Kansas could be better served with the governance/coordination plan in "Bridging the Gap".

When a revolutionary change of this nature is initiated, there is always the tendency to want to stay with the status quo. We believe, however, that the governance changes that you recommend will enhance efficiencies and provide the citizens of Kansas with the "seamless" system of education that has been the goal of legislature.

We realize that the funding recommendations are preliminary, however we would recommend that Employee Benefits and Capital Outlay be taken out from under the cap. This would provide some protection from the volatility of these funds and the possible decline in valuation. Additionally, the increase in tuition to twenty per cent of the budget should be gradually phased in. Even then it will restrict access to some of our nontraditional students.

Again, on behalf of the Hutchinson Community College/Area Vocational School Board of Trustees, we thank the Select Committee on Higher Education for meeting the challenge and developing a viable plan for higher education in Kansas as we launch into the next century.

Sincerely,

Darrell Pankratz
Chairman
HCC/AVS Board of Trustees

cc: members - Select Committee on Higher Education

Hutchinson CC

*S. W. M.
3/30/98*

Attachment 4-15



Independence Community College

February 17, 1998

Select Committee on Higher Education Governance
c/o: David Adkins, Chair
5000 W. 95th, Suite 300
Prairie Village, KS 66207

Dear Select House Committee on Higher Education Governance:

The Independence Community College's Board of Trustees supports the Kansas Association of Community College Trustees initial response to *Bridging the Gap: Higher Education for a New Century*. While we believe that some details of the plan may still need to be addressed, we are prepared to assist in translating the committee's vision into action.

BOARD OF TRUSTEES

Richard Smith
Richard Smith, Chair

Jack Reddick
Jack Reddick, Vice-Chair

Jerry Allison
Jerry Allison

Del Singleton
Del Singleton

Dr. Dolores Thornton
Dr. Dolores Thornton

copy: Sheila Frahm

Independence CC

SWIM
3/30/98

Attachment 7-16



Kansas City Kansas Community College

P.O. Box 12951 • 7250 State Avenue • Kansas City, Kansas 66112-9978
913/334-1100 • (FAX) 913/596-9606

Office of the President

March 12, 1998

Representative
State Capitol
Topeka, KS 66612

Dear Representative :

In a recent letter, I outlined the benefits to KCKCC provided by the work of the House Select Committee on Higher Education. The purpose of this letter is to inform you that the Board of Trustees, at its regular meeting on March 10, 1998, instructed me to notify you of its stand on the proposal. By unanimous vote, the Trustees support the work of the Select Committee and endorse the principles set out in the bill. Please let me know if you require any additional information concerning this important issue.

Sincerely,

Thomas R. Burke
President

TRB/lg

cc: KCKCC Board of Trustees

Kansas City KS CC

*S wtjn
3/30/98*

Attachment 4-17

**LABETTE COMMUNITY COLLEGE
BOARD OF TRUSTEES
February 18, 1998**

The Board of Trustees met at 7:00 p.m., on Thursday, February 18, 1998, at the Parsons Campus in Conference Room West.

Members Present

Gail Abshier
Sheryl Allmon
Jack Blackwell
Bob Brandenburg
Mike Keal
Fred Taylor

Others Present

Dr. Charles Settle	Mike Brotherton
Dr. Charles Chance	Dr. Joan Pearson
Dr. Janet Eads	Dr. Paul Bober
Jeri Hilton	Larry Burnett
Beverly Settle	Brent Bates
Annette Tucker	Jamie Willey
Bob Warford	David Oldham
Dr. Wanda Ladage	Vickie Browne
David Beach	
Jim Fish	

It was determined there was a quorum present, and at 7:00 p.m., Chairman Abshier called the meeting to order.

Select Committee on Higher Education - Dr. Settle distributed to the Board documents regarding a new report presented to the House of Representatives from the Select Committee on Higher Education designed to address issues of governance and finance. Dr. Settle summarized the report and said that the Kansas Association of Community College Trustees and the Council of Presidents have taken an initial position of support for the proposal. An initial response by the KACCT and the Council of Presidents identifying five statements of support for the framework of the plan were reviewed and discussed. Dr. Settle said that the two organizations requested that Kansas community college Boards of Trustees also endorse the proposal; thereby assisting the plan to move forward to the next level. After discussion, Mr. Keal moved that the Board adopt the five items presented to show support of the plan, seconded by Sheryl Allmon. Motion carried 6-0.

Labette CC SW+M
3/30/98
Attachment 4-18



800 West 14th Street
Chanute, Kansas 66720

316-431-2820 Ext 211
Fax: 316-431-0082

NEOSHO COUNTY COMMUNITY COLLEGE

JAMES O. HILL, President

March 13, 1998

Select Committee on Higher Education Governance
Mr. David Adkins, Chair
5000 W. 95th Street, Suite 300
Prairie Village, KS 66207

Dear Select House Committee on Higher Education Governance:

The Neosho County Community College Board of Trustees supports the Kansas Association of Community College Trustees initial response to *Bridging the Gap: Higher Education for a New Century*. While we believe that some details of the plan may still need to be addressed, we are prepared to assist in translating the committee's vision into action.

ADOPTED by the Board of Trustees of Neosho County Community College on March 12, 1998.

Steve Hueber, Chair

Attest:

Terri Dale, Clerk

3/13/98
Date:

Neosho CC

*S W + m
3/30/98
Attachment 4-19*

*Committed to Student Success*

Pratt Community College & Area Vocational School

348 NE S.R. 61, Pratt, KS 67124-8317
316-672-5641 or 1-800-794-3091

February 17, 1998

Representative David Adkins
448-N, State Capitol Bldg.
Topeka, KS 66612

Dear Representative Adkins:

The Pratt Community College Board of Trustees was unanimous in its vote to support the proposed governance and funding plan for Kansas higher education. The Board asked that I relay to you and the entire committee their appreciation for your hard work and the foresight the committee has shown as it crafted that proposal. We believe that the proposal benefits all of Kansas higher education while retaining the best features of our existing system. Furthermore, the proposal facilitates the "cooperation and coordination" the Governor has spoken about publicly when he addresses higher education issues. In another action, the Board unanimously endorsed the attached response of the Kansas Association of Community College Trustees. We have voiced our support to the Pratt area legislators along with our request that they, too, support the Committee's proposed plan.

Sincerely,

William A. Wojciechowski, Ed.D.
President

eb

C: Sheila Frahm

Pratt CC

S w + m
3/30/98

Attachment 4-20



SEWARD COUNTY COMMUNITY COLLEGE

OFFICE OF THE PRESIDENT

HOBBLE ACADEMIC BUILDING, 1801 N. KANSAS
PO BOX 1137, LIBERAL, KS 67905-1137
316-624-5678

February 18, 1998

Ms. Sheila Frahm, Executive Director
KACCT
700 S.W. Jackson, Suite 401
Jayhawk Tower
Topeka, KS 66603-3757

Dear Sheila:

Just a quick note that hopes to find you well. As per our discussions at the past KACCT meeting in Topeka, our Board of Trustees took formal action on the initial response by the Kansas Association of Community College Trustees and Council of Presidents to the Houses Select Committee's draft entitled "Bridging the Gap: Higher Education for a New Century." Our Board of Trustees formally approved this statement at our February Board meeting, which was conducted on Monday, February 16, 1998. This approval is based upon a unanimous vote by the Trustees present.

I will be contacting our legislators and informing them of our Board of Trustees' position. I will also be enclosing a copy of that initial response adopted by the Kansas Association of Community Colleges with that correspondence to the legislators. If I need to do anything further, please let me know.

Sincerely,

A handwritten signature in black ink, appearing to read "James R. Grote".

James R. Grote, Ph.D.
President

JRG/pmp

Seward CC

JWG
3/30/98

Attachment 4-21

alt. 5
3/30/98

**REMARKS TO
SENATE EDUCATION COMMITTEE
and
SENATE WAYS AND MEANS COMMITTEE
by
REGENT ROBERT TALKINGTON
ON HCR 5049 AND SUBS HB 2793
March 30, 1998**

I. INTRODUCTION.

1. Appreciate Opportunity To Discuss Higher Education Issues.
2. Thanks To This Committee For Promptly Scheduling A Hearing and Receiving Testimony.
 - a. Thanks for seriously considering all sides of an issue.
3. Appreciate the work of the Select Committee on Higher Education
 - a. Increased the awareness of higher education issues.
 - b. Focused attention on the need for a longer term solution to higher education funding.
 - c. Focused attention on the needs of all types of higher education
 - Four year
 - Two year
 - Vocational-Technical

II. OPPOSED TO HCR 5049 AND ENABLING BILL SUBS HB 2793.

- a. Three Primary Reasons For Opposition
1. Loss of Momentum in Governance and Coordination if present Board of Regents sunset.
2. Diminished authority of Executive Branch Over Higher Education Management.
3. Ability of Board of Regents to Coordinate Under Existing Constitution.

III. LOSS OF MOMENTUM IF PRESENT BOARD OF REGENTS IS SUNSET.

1. Board of Regents has implemented multiple initiatives at institutions under its jurisdiction.
 - a. Vision 2020, a plan focusing upon change in 5 key areas of institutional operations.
 - b. Faculty Evaluation and Development.
 - c. Program Review, initiation of a new cycle.
 - d. Performance Indicators
2. All of those require constant monitoring and guidance.
 - a. Some of those initiatives have not been popular.
 - b. Some would probably enjoy the opportunity not to participate in them.
3. Little action would occur on those initiatives between now and mid 2001, if Board is sunset.
 - a. Existing Board would begin phasing-out its activities.
 - b. New Council would spend a considerable period organizing itself.
 - c. Considerable period of uncertainty concerning who is **really** in charge.
 - d. Considerable period determining **exactly** what is governance and coordination.

5 W+M
3/30/98
Attachment 5-1

IV. REDUCED EXECUTIVE BRANCH AUTHORITY OVER HIGHER EDUCATION.

1. Initiation of 6 year terms significantly alters gubernatorial authority over appointments.
 - a. When combined with the limited term staggering, contained in H.B. 2793, only 5 or 6 Council members would be appointed during 2 of every 3 gubernatorial terms.
 - b. Governors would appoint no members until mid-point in term, during 2 of every 3 gubernatorial terms.
2. Creation of 14 member Legislative Committee, which would have broad oversight powers.
 - a. Appears to empower an interim legislative committee with oversight responsibility, which is best exercised by the full-time authority of the executive branch.
 - b. Provisions in Section 11(e), of H.B. 2793 provides for committee "development" of policy. This appears to be an action typically delegated to an executive agency.

V. ABILITY OF BOARD TO COORDINATE UNDER EXISTING CONSTITUTION.

1. All are agreed that improvements should be made in the existing coordination structure.
2. Kansas Board of Regents has expressed willingness to be governing/coordinating Board.
 - a. Govern the four year universities.
 - b. Coordinate the community colleges and technical schools.
 - c. This willingness was expressed by Board in September, 1997 to interim Legislative Committee.
 - d. This offer continues
 - It is the Legislature which has elected not to accept the offer.
 - Rather than the Regents which have not considered alternatives, as suggested by some editorialists.
3. Concerns have been expressed that existing constitution is threatening to community colleges
 - a. Community Colleges would not accept coordination by Regents
 - Section 2 of Article 6 technically allows Regents **governance** of community colleges.
 - Although, it could only occur through statutory enactment of Legislature.
 - I believe the latter sentence of this section is the authority for coordination, the earlier sentence is only applicable to four year education.
 - b. Noteworthy that the same permissive authority would also exist for the proposed Kansas Council of Higher Education, under HCR 5049.
 - The threatening provisions are worded exactly the same for the proposed Council as they now are for Board of Regents.

S W+M
3/30/98
Attachment 5-2

4. It is not the position of the present Board of Regents to govern Community Colleges.
 - a. The only suggestion of this comes from recollections of a meeting over a decade ago.
 - b. No member of the Board at that time is a member of the present Board.
 - c. The executive director to whom the remarks are attributed is now 1,400 miles away.

VI. FINAL OBSERVATIONS AND COMPARATIVE ADVANTAGES.

1. Considerable ambiguity exists concerning powers of the proposed Council.
2. Remains unclear whether proposed Council would have authority to do much which cannot be done under present statute.
 - a. Several provisions of H.B. 2793 provide coordinating responsibilities to the Council.
 - b. However, it is unclear whether the Council has the authority to implement its recommendations, if disagreements occur between an institution and its local Board.
 - c. Specific examples include:
 - Determination of institutional roles and missions;
 - An institution's role in master planning;
 - Approval of course offerings and locations;
 - Discontinuance of programs, following program review;
 - Promulgation of policies and procedures for distance education.
3. We believe more can be accomplished with less disruption.
 - a. The Regents remain willing to be a governing and coordinating Board.
 - If that is the pleasure of the Legislature.
 - b. Some have discussed a new entity for coordination of community colleges.
 - If that is the pleasure of the Legislature.
 - c. However, the Regents believe it unwise to abandon an existing structure that works.
4. Particularly unfortunate that allegations occurred concerning a lack of trust.
 - a. Allegations occurred weeks before Regents provided an opportunity for hearing.
 - b. Believe the Regents have done a responsible job governing the state institutions.
 - c. Believe those institutions are ones for which the state can take great pride.

S W + Jm
3/30/98
Attachment 5-3

e: MF03198A

FY 1999 Tax Reductions of \$190 Million
 (Including Mill Levy Reduction and Property Tax
 Recommendations of Select Committee on Higher Ed.)

State General Fund Profile
 In Millions
FY 1997 - FY 2003

FY 1998 Consensus Revenue Estimate, Plus \$25.3 Million; Revenue Transfer of \$21.0 Million in FY 1998
 FY 1999 Consensus Revenue Estimate Growth Rate, But on Revised FY 1998 Base
 Expenditures FY 1998 and as FY 1999 as Recommended by the Governor; Plus House Committee Recommendations
 General and Supplemental School Aid at \$3,705/Correlation and At-Risk Increases
 Demand Transfers Capped
 Tax Reductions: \$190 million in FY 1999 (Including Mill Levy Reduction and Higher Ed Comm. Property Tax Relief)
 Minimum Ending Balance of at Least 7.5%
 All Other Expenditures Increase at 0.5% for FY 2000
 Select Committee on Higher Education Recommendations

	Actual FY 1997	Increase	Estimated FY 1998	Increase	Recommend. FY 1999	Increase	Projected FY 2000	Increase	Projected FY 2001	Increase	Projected FY 2002	Increase	Projected FY 2003	Increase
Beginning Balance(a)	\$382.2		\$528.1		\$634.7		\$426.7		\$317.4		\$322.1		\$334.7	
RECEIPTS:(b)														
Tax Reductions	0.0	6.8%	0.0	7.6%	0.0	2.0%	(110.1)	39.3	(100.2)	9.9	(107.9)	(7.7)	(116.0)	(8.1)
Revenue Transfer to State Budget Stabilization Fund	0.0		(21.0)		0.0	21.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Subtotal - Adjusted Receipts	3,683.8	235.5	3,944.6	260.8	3,894.5	(50.1)	4,123.9	229.4	4,320.0	196.1	4,498.0	178.0	4,674.1	176.1
EXPENDITURES:														
General and Supplemental School Aid(c)	1,384.6	14.2	1,564.2	179.6	1,650.8	86.6	1,668.8	18.0	1,682.4	13.6	1,680.5	(1.9)	1,675.4	(5.1)
Additional Property Tax Relief (23 mills/\$20,000 homestead)	0.0	0.0	0.0	0.0	40.3	40.3	68.9	28.6	71.9	3.0	74.6	2.7	77.4	2.8
Base Aid increase of \$35 (\$3,670 to \$3,705)	0.0	0.0	0.0	0.0	19.9	19.9	20.0	0.1	20.1	0.1	20.2	0.1	20.3	0.1
Correlation Weighting Increase/At-Risk Increase/Net All Others	0.0	0.0	0.0	0.0	17.0	17.0	17.2	0.2	17.4	0.2	17.6	0.2	17.8	0.2
Subtotal - Subtotal General and Supplemental School Aid	1,384.6	14.2	1,564.2	179.6	1,728.0	163.8	1,774.9	46.9	1,791.8	16.9	1,792.9	1.1	1,790.9	(2.0)
		1.0%		13.0%		10.5%		2.7%		1.0%		0.1%		-0.1%
Demand Transfers: (e)	199.7	3.4	205.1	5.4	212.1	7.0	212.3	0.2	215.1	2.8	221.1	6.0	228.8	7.7
All Other Expenditures(d)	1,953.8	81.3	2,068.7	114.9	2,155.8	87.1	2,167.0	11.2	2,195.0	28.0	2,333.0	138.0	2,478.0	145.0
		4.3%		5.9%		4.2%		0.5%		1.3%		6.3%		6.2%
Select Committee on Higher Education Rec.														
Property Tax Relief (Hold Harmless)	0.0	0.0	0.0	0.0	0.0	0.0	54.7	54.7	64.1	9.4	64.1	0.0	64.1	0.0
Enhancements	0.0	0.0	0.0	0.0	6.6	6.6	24.3	17.7	49.3	25.0	74.3	25.0	99.3	25.0
Subtotal - Select Committee on Higher Education	0.0	0.0	0.0	0.0	6.6	6.6	79.0	72.4	113.4	34.4	138.4	25.0	163.4	25.0
TOTAL Expenditures	3,538.2	99.0	3,838.0	299.8	4,102.5	264.5	4,233.2	130.7	4,315.3	82.1	4,485.4	170.1	4,661.1	175.7
Percent Increase		2.9%		8.5%		6.9%		3.2%		1.9%		3.9%		3.9%
Ending Balance(f)	527.8		634.7		426.7		317.4		322.1		334.7		347.7	
Percent of Expenditures	14.9%		16.5%		10.4%		7.5%		7.5%		7.5%		7.5%	
Receipts in Excess of Expenditures	145.6		106.6		(208.0)		(109.3)		4.7		12.6		129.0	

S w + m
3/30/98
Attachment 6-1

a) Includes actual released encumbrances for FY 1996, FY 1997, and \$0.3 million in FY 1998.

b) Receipts are actual for FY 1996 and FY 1997. Receipts for FY 1998 reflect the consensus revenue estimates, plus \$25.3 million. However, the FY 1998 receipts does includes a revenue transfer of \$21.0 million to the State Budget Stabilization Fund. The FY 1999 amount reflects the consensus estimate growth rate, but on the revised FY 1988 amount. The projections for FYs 2000 - 2003 are not consensus estimates of receipts but are based on a growth rate of 4.7 percent in FY 2000; 4.4 percent in FY 2001; 4.2 percent in FY 2002; and 4.0 percent in FY 2003, all off the revised FY 1999 base amount.

c) Base estimate of general and supplemental school aid payments in FY 1998 (revised) - FY 2001 were made on November 7, 1997 by the Department of Education, Division of the Budget, and the Legislative Research Department. For FY 1999 the amount reflects an increase in the base per pupil amount of \$35 from \$3,670 to \$3,705, an additional \$10.0 million of correlation weighting, and \$6.0 million in connection with an increase in at-risk weight from .065 to .080, and the reduction in the uniform property tax rate from 27 to 23 mills and a homestead exemption of \$20,000. The FY 2000 - FY 2003 estimates assume a uniform school mill levy of 23 mills and a \$20,000 homestead and a base aid per pupil amount of \$3,705. FY 2002 and FY 2003 are estimated by the Legislative Research Department.

d) FY 1998 and FY 1999 amount is as recommended by the Governor on all other expenditures. For FY 2000 - FY 2003 all other expenditures grow within available resources.

e) Demand transfers for the School District Capital Improvement Fund, Water Plan Fund and State Fair all reflect current law. For the State Highway Fund, Local Ad Valorem Tax Reduction Fund, County-City Revenue Sharing Fund, and the City-County Highway Fund are actual in FY 1997 and for FY 1998 a cap of 1.75 percent. For FY 1999 a cap of 2.4 percent; FY 2000 a cap of 0.1 percent; FY 2001 a cap of 1.9 percent; FY 2002 a cap of 3.8 percent; and FY 2003 a cap of 3.5 percent.

f) Current law minimum ending balance requirement is 7.5 percent of expenditures.

Prepared at the Request and Direction of Representative Mike Farmer
Kansas Legislative Research Department
March 23, 1998

File: MF03198A

S W + M
3/30/98
Attachment 6-2