

D12

Approved: March 4, 1998
Date

MINUTES OF THE HOUSE SELECT COMMITTEE ON HIGHER EDUCATION.

The meeting was called to order by Chairperson David Adkins at 5:00 p.m. on February 23, 1998 in Room 423-S of the Capitol.

All members were present except Representative Helgerson who was on excused absence.

Committee staff present: Leah Robinson, Legislative Research Department
Carolyn Rampey, Legislative Research Department
Alan Conroy, Legislative Research Department
Jim Wilson, Revisor of Statutes
Avis Swartzman, Revisor of Statutes
Leona Fultz, Committee Secretary

Conferees appearing before the committee: None

Others attending: See attached list

The committee continued to refine the details for the new proposed Council on Higher Education. Handouts included the following: Summary of Major Points in Proposal Governance and Coordination (Attachment 1), State General Fund Financing of Higher Education in Kansas (bar chart, five year plan, showing base increases, property tax relief and enhancements) (Attachment 2), State General Fund Financing of Higher Education in Kansas (bar chart, five year plan, showing property tax relief and enhancements) (Attachment 3), (bar chart, five year plan, showing enhancements) (Attachment 4), Revised Attachment 3 with November scenario (Attachment 5), State General Fund Financing of Higher Education in Kansas (bar chart, four year plan, showing base increases, property tax relief and enhancements) (Attachment 6), State General Fund Financing of Higher Education in Kansas (bar chart, four year plan, showing enhancements and property tax relief) (Attachment 7).

The committee continued to discuss the different financing options. The handout entitled Summary of Major Points in Proposal Governance and Coordination will be used as a basis for the summary of the new plan. The Revised Attachment 3 with November scenario will be used as a basis for the financial part of the new plan.

The Committee meeting adjourned and the next meeting will be on call of the Chair.

SUMMARY OF MAJOR POINTS IN PROPOSAL

GOVERNANCE AND COORDINATION

- A constitutional amendment would be submitted to the voters at the August 1998 primary to abolish the current Board of Regents effective June 30, 2000, and create the Kansas Council on Postsecondary Education.
- The amendment would define public postsecondary institutions and provide for the governance and coordination of these institutions by the Council.
- The Council would coordinate all postsecondary activities, including the state's public universities, community colleges, technical colleges, and area vocational schools.
- The Council would have direct governance responsibilities over the existing Regents universities and Washburn University.
- Community colleges, technical colleges, and area vocational schools would continue to be governed by local boards, and would be under the coordination of the Council.
- Responsibilities of the State Board of Education for elementary and secondary education would be unchanged. Postsecondary institutions would be authorized to contract with school districts for the provision of programs to elementary-secondary students.

Composition of the Council

- The constitutional amendment would provide for an 11-member Council, appointed by the Governor, and confirmed by the Senate. The remainder of the selection and qualification process (two members from each congressional district, remainder at large; not more than one per county, unless each county in a congressional district has a member on the Council; and no more than six members from the same political party; per diem compensation at the same rate as members of the Legislature, plus actual expenditures, as approved by the Council) would be established in statute.
- For purposes of the initial Council, nominations would be made to the Governor by the State Board of Regents (five positions from at least ten nominees); the State Board of Education (two positions from at least four nominees); the Kansas Association of Community College Trustees (two positions from at least four nominees); the Kansas Association of Vocational-Technical Education (one position from at least two nominees); and the Washburn University Board of Regents (one position from at least two nominees). Nominees to the initial Council could not be elected officials or employees of any public postsecondary institution. The nominations would be made to the Governor by November 10, 1998, and the Governor would make the appointments by February 1, 1999. The Governor would select the chair of the initial Council.
- Six members of the initial Council would serve six year terms, and the remaining members would serve three year terms; thereafter members would serve staggered terms of six years subject to a two-term limit.

- The amendment to the constitution would create the position of Commissioner of Higher Education to serve at the pleasure of the Council as its executive officer. By statute, the Commissioner would be authorized to hire assistant commissioners and other staff as necessary.

Functions and Duties of the Council

- The Council 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 institutions and Washburn University, the Council would select agency heads, 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 the utilization of distance learning technologies; and collect and maintain a uniform postsecondary education database.
- As part of its coordination function, the Board would recommend statewide postsecondary funding levels to the Governor and the Legislature; the governed institutions would submit budget requests to the Governor and Legislature following approval of the requests by the Council.
- A statutorily created Educational Coordinating Commission would serve as a liaison committee 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 and three members of the Council on Higher Education, selected by their respective boards. The Commission members would serve two year terms and would select the Chair of the Commission and establish their own rules of operations and procedure.
- The Council would be required to create advisory commissions consisting of a broad cross section of consumers, administrators, and educators to assist the Council on postsecondary matters.
- A statutorily created Joint Committee on Postsecondary Education (12 members—eight from the House and four from the Senate) would provide legislative oversight of postsecondary education. The Legislative Educational Planning Committee would be abolished. 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 Committee would assist in the development and monitoring of performance measures to ensure the fiscal and academic integrity of the postsecondary education system. The Committee also would receive reports from the Educational Coordinating Commission, the advisory committees, and an

annual strategic planning report from the Council. The Joint Committee would be charged with submitting a report to the 1999 Legislature on the feasibility of a virtual campus to provide educational access to programs offered by public postsecondary institutions via technology.

WASHBURN UNIVERSITY/MERGER AND AFFILIATION

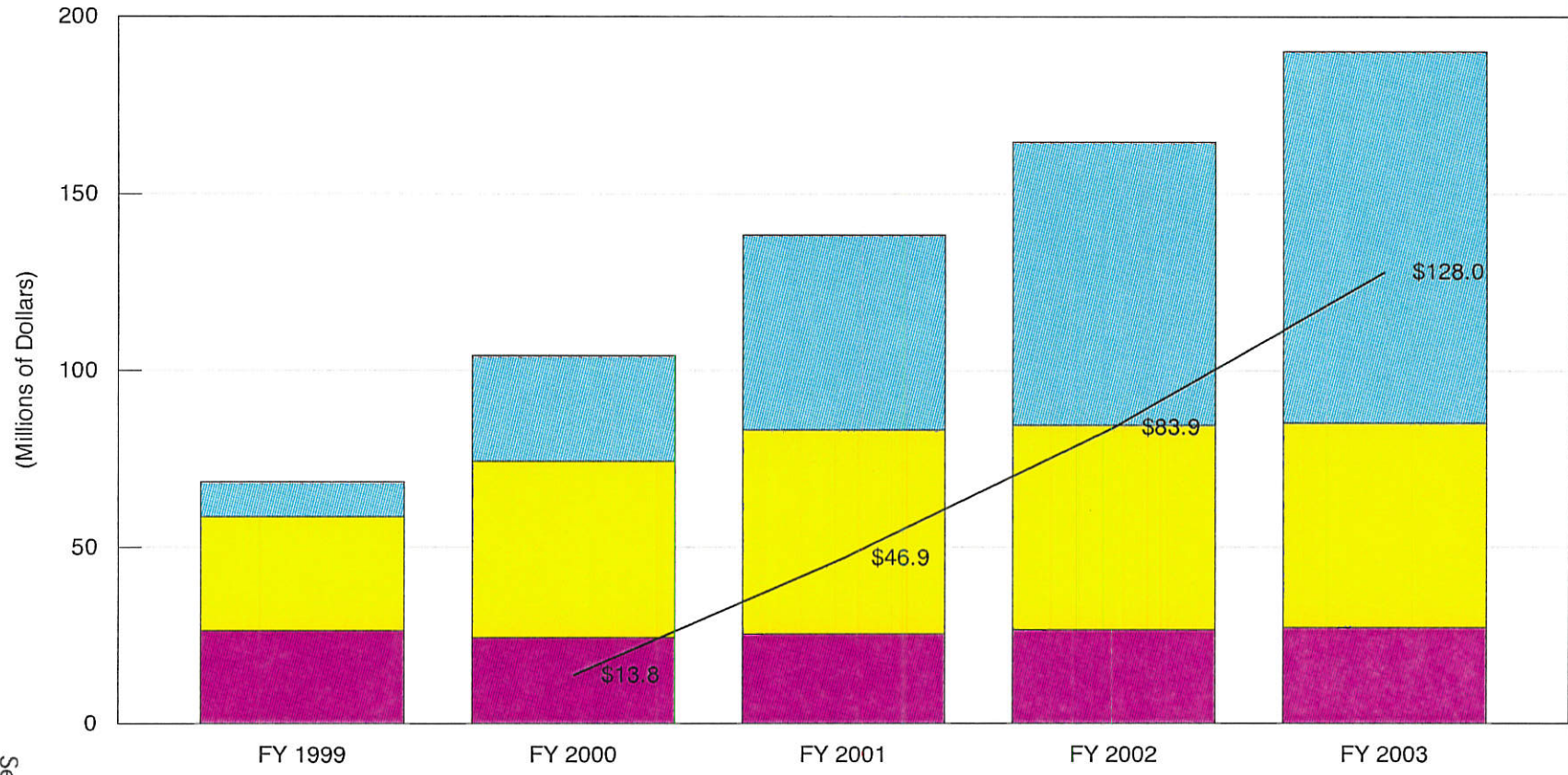
- Washburn University, as of July 1, 2000, would become a state institution under the governance of the Council. The Washburn University Board of Regents would retain levy authority for the purpose of capital improvements and debt retirement (capped at 5 mills; the current levy is 3 mills). Current employees as of July 1, 2000, would remain under the present retirement system; new employees after that date would go under a retirement system comparable to the current Regents retirement system.
- Washburn University would participate in identified enhancement funding beginning in FY 2001.
- Increases in student tuition would be tied to increases at the regional state universities. For each percentage increase in tuition at the regional universities, Washburn University would increase student tuition by half that amount, with the remaining half coming from the state.
- The state appropriation for Washburn University would be a percentage increase in its "public funding base" defined as the sum of its state appropriations, proceeds from property taxes, interest income, and unrestricted endowments.
- Any community college, technical college, or area vocational school governing board that wanted to affiliate with a four-year university would submit a petition to the Council to become a unit of the four-year institution. The petition shall include a proposal describing the mission and relationship of the proposed affiliated institutions; a plan for the disposition of existing programs, services, activities, property and personnel; and other plans and information pertinent to the proposed affiliation, as required by the Council.
- Upon approval of an affiliation petition, the Council would develop a plan to effectuate the affiliation. Community college operating mill levies would be eliminated except for levies for capital improvements and debt retirement. Local governing boards 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.
- Two-year institutions could merge with one or more community colleges, technical colleges, or area vocational schools upon petition of the institutional governing boards, subject to the approval of the Council. The joint county mill levy of merged institutions would be capped at 10 mills.
- Registered voters of a district could initiate a process by which the governing board of a community college or an area vocational technical school would have to place the

matter of merger with another postsecondary institution on the agenda of its next regular board meeting. Placement of the matter upon 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 merger of institutions.

FUNDING

- Changes in funding mechanisms and funding levels would be phased in over a period of several years.
- Out-district community college tuition would be eliminated.
- Community college mill levies would be capped at 20 mills, except that the operating budget of a community college at the 20-mill limit could grow by 2.5 percent over the prior year based on an increase in assessed valuation or an increase in the mill levy.
- The operating mill levy for Washburn University would be eliminated.
- A new state scholarship program, called "Eisenhower Scholars," would be created whereby tuition and fees would be waived for eight semesters for any Kansas resident who is a national merit scholar to attend an undergraduate program at any public postsecondary institution in Kansas.
- The community college capital outlay levy limit would be raised from 2 mills to 3 mills.
- Additional funding would be provided to the Council in FY 2001 and FY 2002 to promote excellence in research and student achievement at public postsecondary institutions.

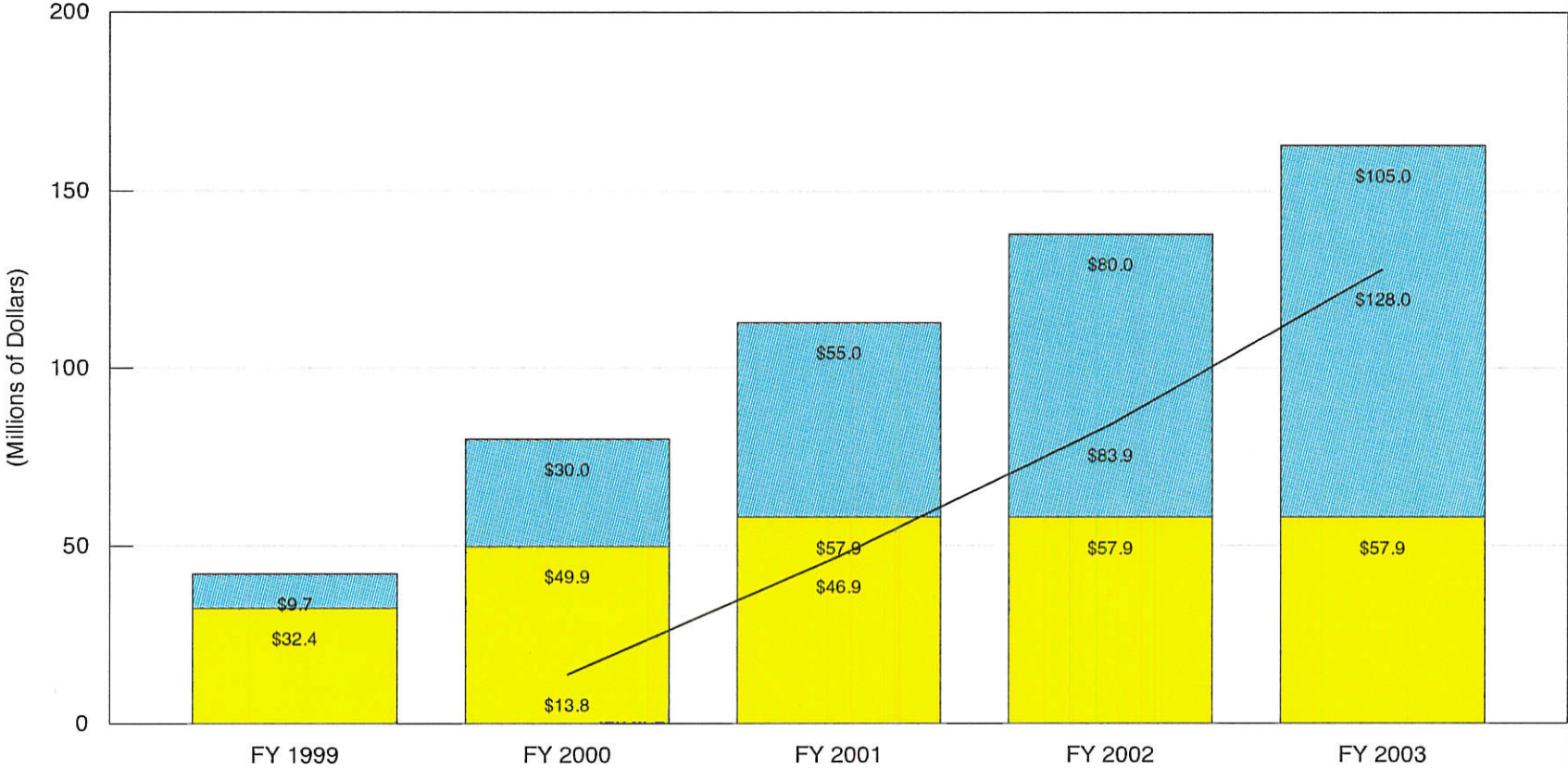
State General Fund Financing of Higher Education in Kansas



- Base Increases
- Property Tax Relief
- Enhancements
- Project 2000 Revenues

Kansas Legislative Research Department
February 23, 1998

State General Fund Financing of Higher Education in Kansas

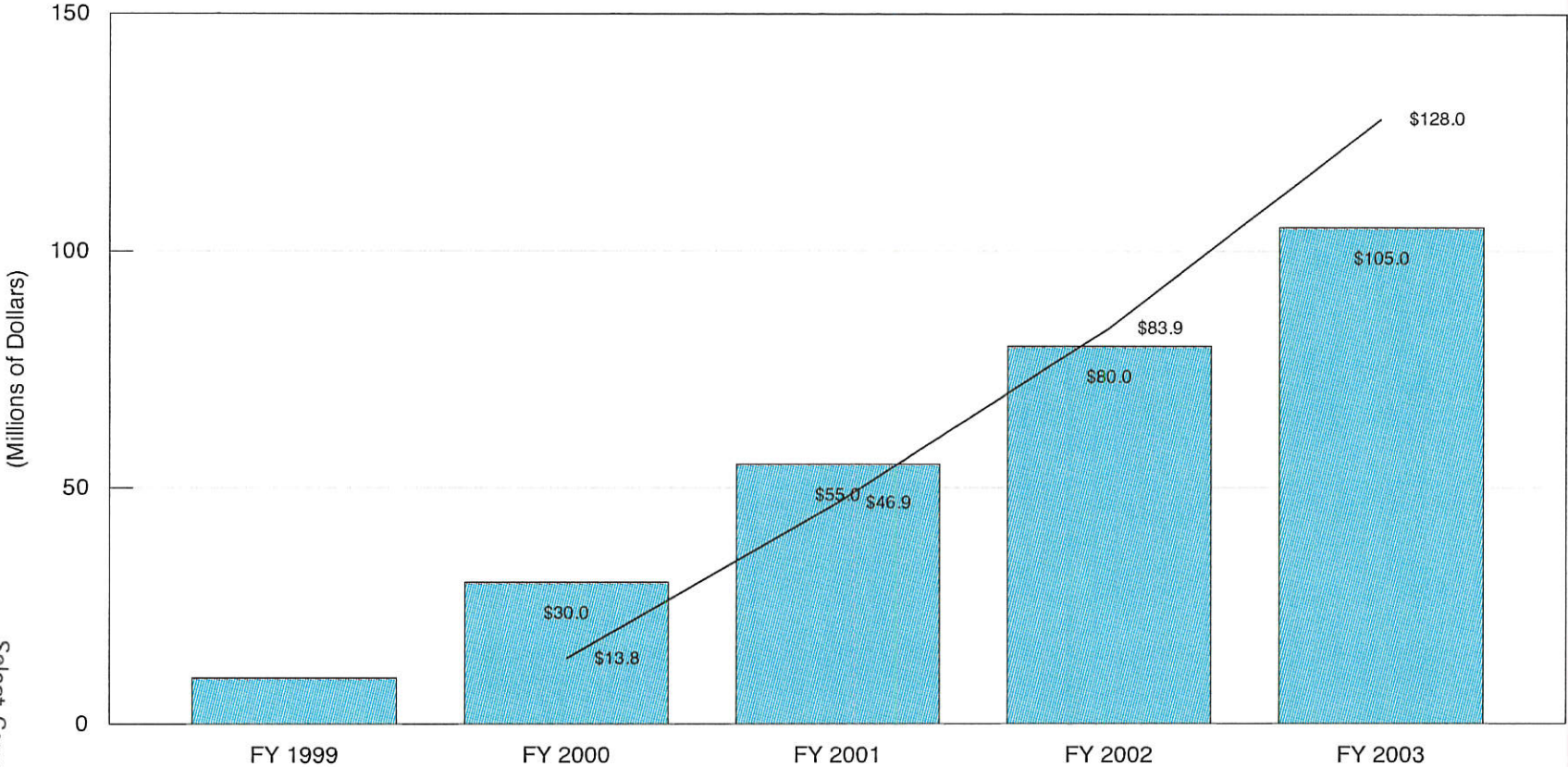


Select Committee on Higher Education
 February 23, 1998
 Attachment 3

Kansas Legislative Research Department
 February 23, 1998

- Property Tax Relief
- Enhancements
- Project 2000 Revenues

State General Fund Financing of Higher Education in Kansas



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 Attachment 4

■ Enhancements
 — Project 2000 Revenues

REVISED
ATTACHMENT 3

NOVEMBER SCENARIO

Proposed Higher Education Funding Increases
(In Millions)

Annual Increases

FY 1999

Property Tax Relief:

\$30.5	Out-District Tuition and Community College Operating Mill Levy Reductions (funds are also appropriated for FY 2000, subsequent to approval by voters of constitutional amendment)
<u>5.0</u>	Washburn University (mill levy reduction)
<u>\$35.5</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	

\$42.1 Grand Total - FY 1999

FY 2000

Property Tax Relief:

11.0	Community College Mill Levy Reductions and Enhancements
<u>8.2</u>	Washburn University (mill levy reduction)
<u>\$19.2</u>	Subtotal Property Tax Relief - FY 2000

Annual Increases

Enhancements:

1.0	AVTS Capital and Technology Improvements		
0.7	Community College Technology 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>

0.8 Coordinating Board Operations
\$17.7 Subtotal - Enhancements - FY 2000

\$36.9 Grand Total - FY 2000

FY 2001

Property Tax Relief:

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

Enhancements:

25.0 Enhancements and Equity for All Institutions Under Governance or Coordination of Council on Higher Education

\$25.0 Subtotal - Enhancements - FY 2001

\$34.4 Grand Total - FY 2001

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

\$25.0 Subtotal - Enhancements - FY 2002

\$25.0 Grand Total - FY 2002

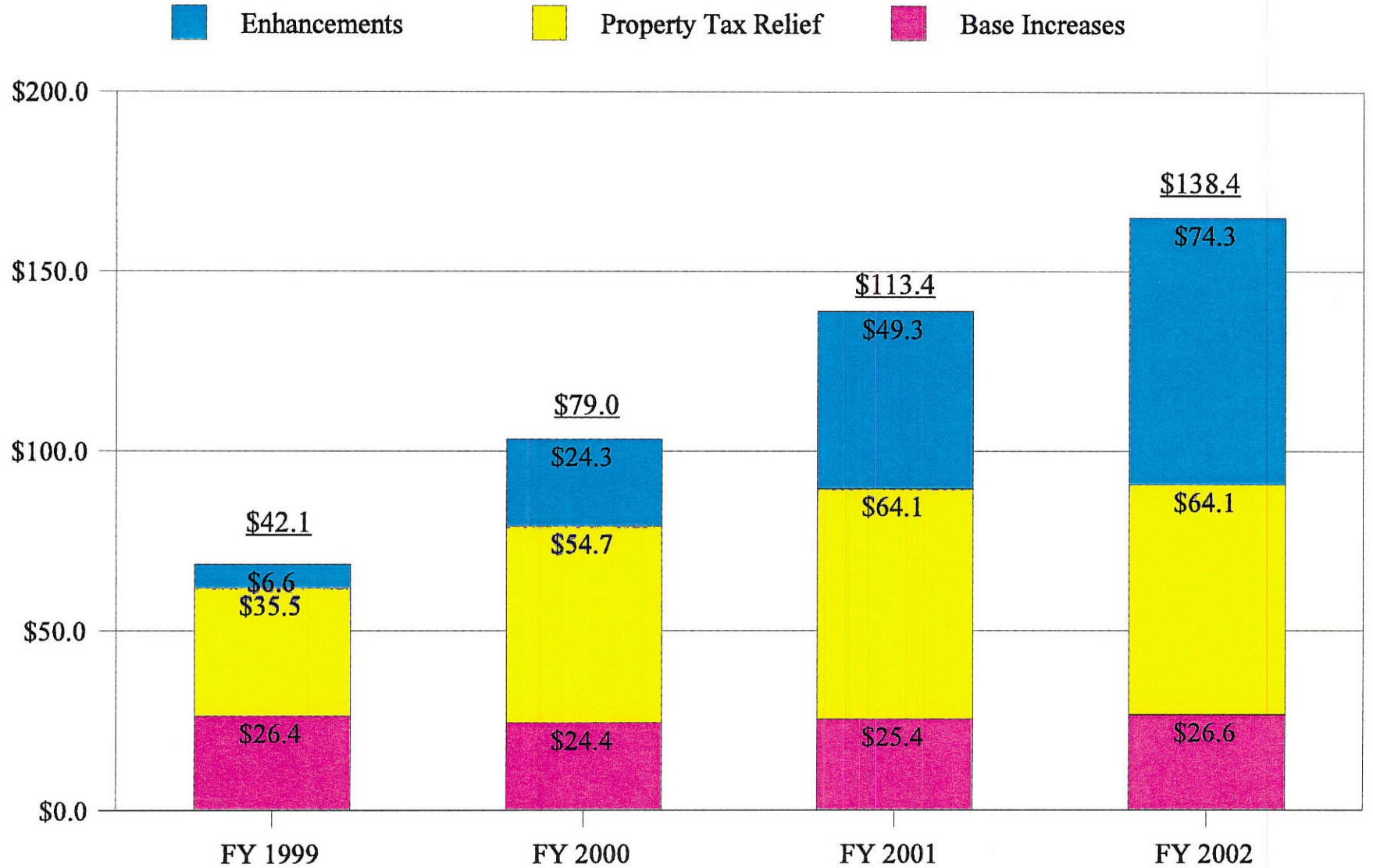
Summary of Increases—FY 1999-FY 2002

\$64.1 Property Tax Relief

74.3 Enhancements

\$138.4 Grand Total Increases- FY 1999 - FY 2002

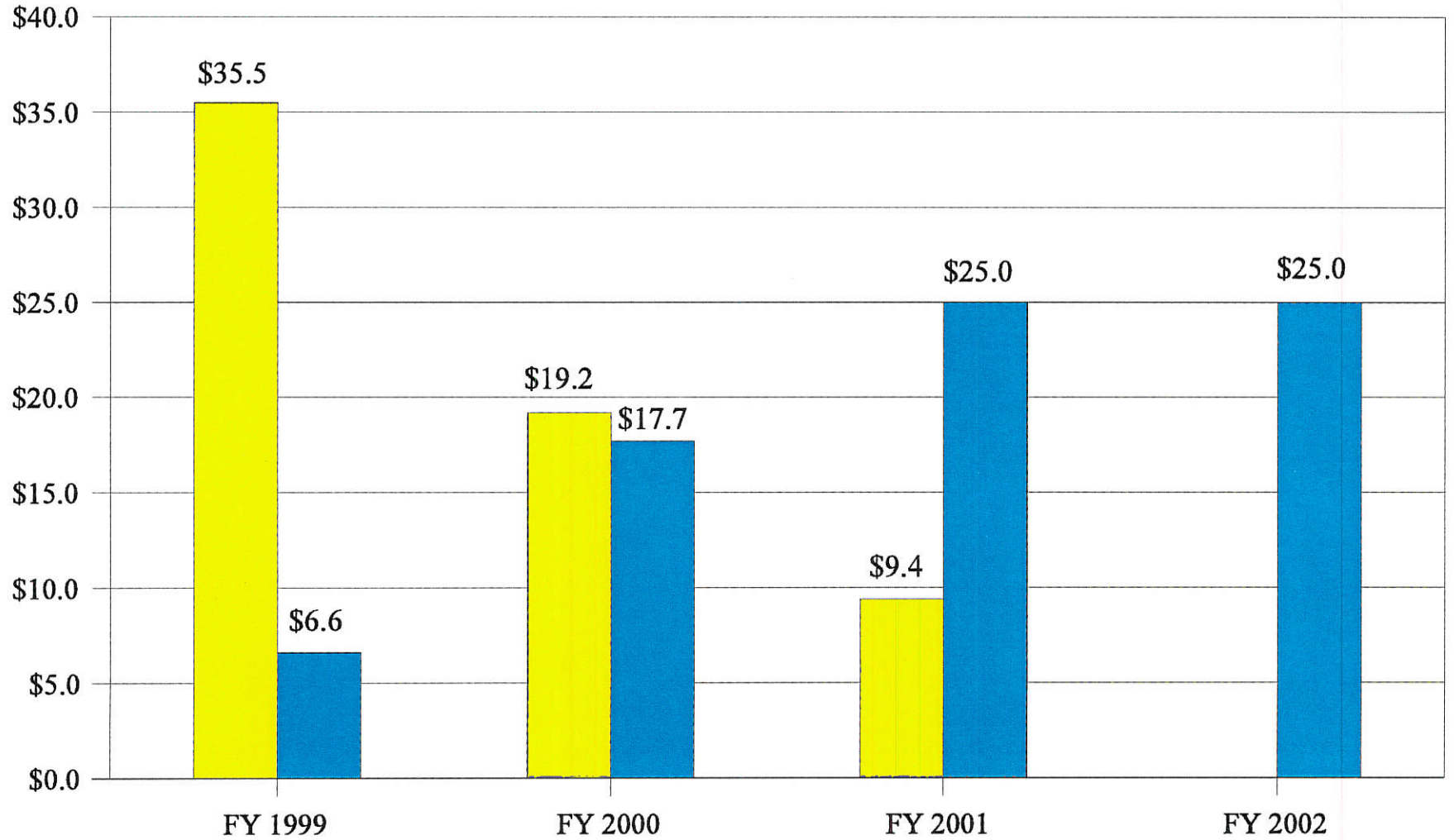
State General Fund Financing Of Higher Education In Kansas (In Millions)



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 Attachment 6

State General Fund Financing Of Higher Education In Kansas (In Millions)

Property Tax Relief Enhancements



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Attachment 7