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Approved: March 23, 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 March 5, 1998 in Room 519-S of the Capitol.

All members were present.

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

Conferees appearing before the committee:

Robert Talkington, Chairman of the Board of Regents
Thomas R. Burke, President of the Community College Presidents
Ken Clouse, President of the Kansas Assoc. of Area Vocational Tech. Schools
David Monical, Exec. Dir. of Governmental and Univ. Relations, Washburn Univ.

Others attending: See attached list

Representative Adkins stated this meeting was held to have public hearings and committee discussions on the substitute for HB 2793. The public hearings were opened. Robert Talkington addressed the committee (no written testimony). Thomas R. Burke addressed the committee (Attachment 1). Ken Clouse addressed the committee (Attachment 2). David Monical addressed the committee (Attachment 3). The public hearing was then closed on the bill.

The committee then went into discussion and deliberations of the bill. Carolyn Rampey handed out a revised House Concurrent Resolution No. 5049 (Attachment 4). Legislative Research Department discussed with the committee some questions they had after a review of the bill (Attachment 5). Jim Wilson handed out for the committee to look at a Proposed Composition of Joint Committee Draft dated March 5, 1998 (Attachment 6) and a paper describing the period of transition (Attachment 7).

Representative Garner moved to adopt all amendments discussed. Representative Weber seconded the motion. The motion carried. Representative McKechnie moved to substitute the draft bill language for that contained in HB 2793. Representative Farmer seconded the motion. The motion carried.

The Committee meeting adjourned and the next meeting was scheduled for Friday, March 6, 1998 at 11:30 a.m.

SELECT COMMITTEE ON HIGHER EDUCATION
COMMITTEE GUEST LIST

DATE: March 5, 1998

NAME	REPRESENTING
Larry Ferris	N.W. Ks. Technical School
Tom F. Howard	DeSoto Community College & AVTS
John F. Luvil	Kansas City Kansas AVTS
KENDALL BRIGGS	HUTCHINSON CC / AVS
Lou Frohardt	Cloud County C.C.
Rumary A. Kertz	Nichols Area Technical College
Scott Jany	Manhattan Area Technical College
KEITH STOVER	FRONT HILLS TECHNICAL COLLEGE
Ken Clouse	NE Ks. AVTS
M. J. Ornato	PSU
OK Pridoux	FHSU
JOE ROSSILION	ESU
Martin Reed	KU
Diana Orkin	Board of Regents
Robert V. Juchacz	Board of Regents
Sidney Hames	Board of Regents
John F. Welsh	Regents
Marvin Brooks	KBOR
H. Peterson	KBOR

SELECT COMMITTEE ON HIGHER EDUCATION
COMMITTEE GUEST LIST

DATE: March 5, 1998 (continued)

NAME	REPRESENTING
KE Hummer	KCC
Jon Josseland	KU
Ray Hauke	Staff, Ks Board of Regents
Sue Peterson	K- STATE
Craig Grant	KNEA

House Select Committee

on

Higher Education

mark 5

Testimony by:

Thomas R. Burke, President
Kansas City Kansas Community College
and President
KACCT Council of Presidents

Change! The very word strikes fear in the hearts of many. For some twenty-five years, changes in the way Kansas coordinates the various segments of higher education have been proposed and debated, all to no avail. This is due, at least in part, to a resistance to change. Certainly there are legitimate concerns, and these have been eloquently expressed over the years. But fear of the unknown is a powerful motivator, and community colleges have been just as fearful as any of the other sectors.

The work of the House Select Committee on Higher Education has been exemplary. Members of the committee have reviewed previous studies, developed drafts, listened to our concerns about those drafts, and altered them accordingly in producing a final bill. I'm not saying that all of the concerns of our nineteen community colleges have been alleviated. They probably never will be. But as I know you have discovered, this whole issue is very difficult and complex. And you have addressed the "fear factor", something I believe to be missing from most of the previous studies and proposals.

I would like to point out some of the strengths as I see them from a community college standpoint. They are as follows:

⇒ Statewide coordination of all higher education will be enhanced by the new council. I believe that statewide coordination has never been an

issue with community colleges. The issue has been one of governance, and the House Select Committee has addressed the difference between the two.

⇒ Governance of community colleges remains with locally elected boards of trustees. This is extremely important, not only from the ability to respond to community needs but also from the taxing authority of these boards. And remember, trustees are also Kansans.

⇒ Vocational-technical credit hour aid inequities are eliminated.

⇒ Property tax relief is provided to the eighteen counties supporting the colleges. In addition, tax relief is provided to the other eighty-seven counties through the elimination of out-of-district tuition. This has been a political thorn in the side of community colleges for years.

⇒ The obsolete law prohibiting the payment of credit hour aid for students who have earned over sixty-four or seventy-two hours is repealed.

These are just some of the benefits as I see them based upon the information I currently have. In an initial response on February 12, 1998, to the deliberations of the select committee, representatives to the Kansas Association of Community College Trustees voted unanimously to support your efforts. Knowing there may be other changes as the bill reaches the House, we look forward to further review

and remain most interested. Thank you for your excellent work, and I look forward to assisting you in any way that I can.

Kansas Association of Area Vocational - Technical Schools

Testimony to the Select Committee
on Higher Education
on
H.B. 2793

Our association would like to thank the Chairman and members of the committee for allowing us the opportunity to appear before you today. My name is Ken Clouse and I am President of the Kansas Association of Area Vocational - Technical Schools.

First of all, we appreciate being asked to be involved via the "shadow committee". Additionally we appreciate the funding set forth in the bill. However, I would like to address the following concerns our association has regarding House Bill 2793.

We believe changes will occur in higher education and want to be a positive player in educational change for the state of Kansas. While being a part of the process, we ask this committee to think about the following:

- * We think we deserve more advocacy on the Council for Higher Education with another seat on the Council. Our figures indicate we educate 15.9% of the postsecondary population which should equate to more than one seat on the Council.
- * A skilled workforce is at a critical shortage in Kansas. Department of Labor statistics indicate that more than 80% of future jobs will fall in the skilled category, requiring less than a baccalaureate degree. In our view as the major contributors to the skilled workforce we are concerned that a very minimal emphasis is focused toward this critical area.
- * Area Vocational Technical Schools & Technical Colleges have no appropriate means to raise funds for building improvements, and this bill does not provide area schools an avenue to improve and expand facilities to address the critical Kansas workforce needs.



WASHBURN UNIVERSITY

Office of the President

**Testimony to
House Select Committee on Higher Education
from
Jerry B. Farley, President
March 5, 1998**

Mr. Chairman, Members of the Committee,

On behalf of Washburn University and its Board of Regents, I wish once again to commend the Committee for the work you have accomplished over the past six weeks. While your proposals may not be the perfect solution, they do represent a remarkable achievement for reorganizing, restructuring and refinancing Kansas higher education.

Washburn University endorses the concepts and their initial implementation as contained in Concurrent Resolution and Substitute HB 2793. However, we wish to note that our perspective continues to be one which recognizes strong coordination of all of Kansas higher education at the state level with governance left to the specific institutions. Under this model, governance is localized, as we feel appropriate, while state interests deal with 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.

With respect to the specifics of Substitute HB 2793, we wish to make the following observations.

1. Your staff is to be commended for constructing legislation of this magnitude in such a relatively short time. The changes which we are requesting are relatively minor given the enormity of the work which they have accomplished.
2. In earlier policy discussions of the Select Committee, it was agreed that Washburn employees would be "grandfathered" so that current employees would be able to elect whether to remain in the current retirement and benefit system at Washburn University or to change to the state retirement and benefits program. After July 1, 2000, no new employee would have such an option as all would be under the state plan. (see "Summary of Major Points and Proposal" page 3). Therefore, we request that new Section 55 be amended to allow for this "grandfather" provision.

3. New Section 54 provides for the University's transition into the state system. In Subsection c, the Secretary of Administration is given flexibility over exempting Washburn from certain rules applying to state agencies. We recommend that this subsection be amended to allow the Secretary to continue these exemptions beyond July 1, 2000 if approved by the Council upon the request of the University. Our concern is very simple: the transition from a municipal subdivision to a state agency will require a substantial conversion of administrative processes. Twelve months may not be sufficient to accomplish all of those transitions and it would be appropriate to allow the council and the Secretary some flexibility as to finally effecting those transition processes.
4. New Section 54, Subsection d, relates to the financing of the transition and has our state funds and Washburn University's support fund (created in new Section 56) to be held in a Shawnee County bank designated by the pooled money investment board. This does not require any of our other funds to be in this designated bank. We would prefer that the pooled money investment board designate a bank for all accounts for ease of reconciliation.
5. New Section 56 relates to the creation of a Washburn University support fund and fund balances. It does not mention receipts from the special liability expense fund (K.S.A. 75-6110) and the balances contained therein. The balances in our Debt Retirement and Construction Fund will be under the administration of the Washburn University trustees for future expenditures. We recommend that the fund balances from all of our other three mill levy funds be transferred to the Washburn Board of trustees so that they will be available for future expenditures recommended by the Washburn University Board of trustees subject to the approval of the Council.
6. Sections 77 and 79 relate to appropriations to the Board of Regents and to the Kansas Council regarding property tax mill levy reduction at Washburn University. A technical adjustment is required to the title of these appropriations accounts as a small portion of the dollars are replacements of existing funding sources which will not be available as a state institution. We recommend that the wording in these appropriations accounts be changed to "Washburn University property tax mill levy reduction and transition expenses." This language change will ensure that there is no misunderstanding as to the allocation of these funds.

Finally, a minor technical note in the March 4 "Summary of Major Points in Proposal." On page 4, it notes that for the purposes of appropriations for Washburn in succeeding fiscal years the base budget would be equivalent to the FY 1998 public funding base of \$19,776,083 and that incremental increases would be applied to that base. This base excludes \$485,000 in unrestricted endowments which, in the earlier summary of major points in the proposal, were included within the public funding base. We raise this simply as an observations as ultimately these matters will be determined in the appropriations process.

Once again, we wish to thank the Select Committee for the intensity and extensiveness of its work. We continue to be ready to assist you in your efforts.

HOUSE CONCURRENT RESOLUTION NO. 5049

By Select Committee on Higher Education

A PROPOSITION to amend sections 2, 3, 6 and 7 of article 6 of the constitution of the state of Kansas, relating to education.

Be it resolved by the Legislature of the State of Kansas, two-thirds of the members elected (or appointed) and qualified to the House of Representatives and two-thirds of the members elected (or appointed) and qualified to the Senate concurring therein:

Section 1. The following proposition to amend the constitution of the state of Kansas shall be submitted to the qualified electors of the state for their approval or rejection: Sections 2, 3, 6 and 7 of article 6 of the constitution of the state of Kansas are hereby amended to read as follows:

"§ 2. State board of education and ~~state-board--of regents~~ Kansas council on higher education. (a) The legislature shall provide for a state board of education which shall have general supervision of public schools, educational institutions and all the educational interests of the state, except educational functions delegated by law to the ~~state-board-of-regents~~ Kansas council on higher education. The state board of education shall perform such other duties as may be provided by law.

(b) The legislature shall provide for a ~~state board--of-regents~~ Kansas council on higher education and for its control and supervision or coordination of public institutions of higher education. Public institutions of higher education shall include universities and colleges granting ~~baccalaureate--or postbaccalaureate~~ degrees and such other institutions and educational interests as may be provided by law. The

~~state--board--of--regents~~ Kansas council on higher education shall perform such other duties as may be prescribed by law.

(c) Any municipal university shall be operated, supervised and controlled as provided by law.

§ 3. ~~Members of state board of education and~~ state--board--of--regents Kansas council on higher education. (a) There shall be ten members of the state board of education with overlapping terms as the legislature may prescribe. The legislature shall make provision for ten member districts, each comprised of four contiguous senatorial districts. The electors of each member district shall elect one person residing in the district as a member of the board. The legislature shall prescribe the manner in which vacancies occurring on the board shall be filled. Subsequent redistricting shall not disqualify any member of the board from service for the remainder of the member's term.

(b) The ~~state--board--of--regents~~ Kansas council on higher education shall have ~~nine~~ 11 members with overlapping terms as the legislature may prescribe. Members shall be appointed by the governor as provided by law, subject to confirmation by the senate. ~~One member--shall--be--appointed--from--each--congressional district--with--the--remaining--members--appointed--at--large, however, no two members shall reside in the same county at the time of their appointment.~~ Vacancies occurring on the board council shall be filled by appointment by the governor as provided by law. The terms of office of members appointed to the council shall be prescribed by the legislature, but no such term of office shall be longer than six years.

(c) ~~Subsequent--redistricting--shall--not--disqualify any--member--of--either--board--from--service--for--the remainder--of--his--term.~~ Any member of either the board or

the council may be removed from office for cause as may be provided by law.

§ 6. Finance. (a) The legislature may levy a permanent tax for the use and benefit of state institutions of higher education and apportion among and appropriate the same to the several institutions, which levy, apportionment and appropriation shall continue until changed by statute. Further appropriation and other provision for finance of institutions of higher education may be made by the legislature.

(b) The legislature shall make suitable provision for finance of the educational interests of the state. No tuition shall be charged for attendance at any public school to pupils required by law to attend such school, except such fees or supplemental charges as may be authorized by law. The legislature may authorize the ~~state--board--of--regents~~ Kansas council on higher education to establish tuition, fees and charges at institutions under its control and supervision.

(c) No religious sect or sects shall control any part of the public educational funds.

§ 7. Savings and transition clause. (a) All laws in force at the time of the adoption of this amendment ~~and--consistent--therewith~~ shall remain in full force and effect until amended or repealed by the legislature. ~~All laws--inconsistent--with--this--amendment,--unless--sooner repealed--or--amended--to--conform--with--this--amendment, shall--remain--in--full--force--and--effect--until--July--1, 1969.~~

(b) ~~Notwithstanding--any--other--provision--of--the constitution--to--the--contrary,--no--state--superintendent--of public--instruction--or--county--superintendent--of--public instruction--shall--be--elected--after--January--1,--1967.~~

(c) ~~The--state--perpetual--school--fund--or--any--part thereof--may--be--managed--and--invested--as--provided--by--law~~

~~or--all--or--any--part--thereof--may--be--appropriated,--both--as--to--principal--and--income,--to--the--support--of--the--public--schools--supervised--by--the--state--board--of--education.~~ The legislature shall provide for the transition of authority from the state board of regents to the Kansas council on higher education on or before July 1, 2000."

Sec. 2. The following statement shall be printed on the ballot with the amendment as a whole:

"Explanatory statement. This amendment would require the legislature to provide for a Kansas council on higher education and to provide for the council's control and supervision or coordination of public institutions of higher education by July 1, 2000. The council would have 11 members appointed by the governor subject to confirmation by the senate. Members would have overlapping terms of office of up to six years, as provided by law.

"A vote for this proposition would require the legislature to provide for a Kansas council on higher education which would control and supervise or coordinate public institutions of higher education by July 1, 2000, and would remove the requirement for a state board of regents.

"A vote against this proposition would retain the requirement for a state board of regents and for its control and supervision of state universities and would provide for the general supervision of community colleges, technical colleges and vocational education schools to remain with the state board of education."

Sec. 3. This resolution, if approved by two-thirds of the members elected (or appointed) and qualified to the House of Representatives and two-thirds of the members elected (or appointed) and qualified to the Senate, shall be entered on the journals, together with the yeas and nays. The secretary of state shall cause this resolution to be published as provided by

law and shall cause the proposed amendment to be submitted to the electors of the state at the general election to be held on November 3, 1998.

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~~4-4~~

March 5, 1998

To: Representative David Adkins, Chairperson, Special Committee on Higher Education

From: Leah Robinson and Carolyn Rampey, Kansas Legislative Research Department

Re: Review of Bill

We have reviewed the draft of H.B. 2793 and compared it to the summary we did February 24 of the major points in the Committee's proposal.

There are several points that we think need to be clarified. They are listed below:

1. Section 22(a). The bill sets a limit of 10 mills on a community college that consolidates with another community college or with an area vocational school. Was it your intention to have the limit apply both to consolidations between community colleges and area vocational schools or between community colleges only? How would this policy affect the five community colleges that already are designated area vocational schools?
2. Section 22 (c). This section provides that the community college operating budget mill levy will be reduced by half the difference between state aid the prior year and the amount to which the community college is entitled in the current year. According to the State Department of Education, out-district tuition should be subtracted from the amount of state aid involved and the policy should terminate after the first year.
3. Section 55. Your policy was that when Washburn University becomes a state institution under the Council, current employees as of July 1, 2000, would remain under the present retirement system and new employees would go under the retirement system comparable to the current Regents retirement system. We are not sure that the bill does this. It may, but we are not sure.
4. Section 56. The Washburn University sections are based on 1994 legislation that did not have the funding enhancements your Committee is considering. It might be advisable to review the sections in the bill that provide for the disposition of any carry-forward balances in Washburn's operating fund and any other funding provisions to make sure that they are compatible with your current policy.
5. Section 60. We understood your policy with regard to student tuition at Washburn University to be that, for each percentage increase in tuition at the regional universities, Washburn's tuition would increase by half that amount, with the remaining half coming from the state, until the time that student tuition at Washburn equals that at the regional universities. It has been pointed out to us that "regional university" is not defined. Perhaps you could simply name the institutions in the bill. Also, the bill makes no reference to the state making up the remaining half of the tuition, nor did we take such state aid into account in our funding assumptions.

Select Committee on Higher Education
March 5, 1998
Attachment 5

6. Section 62. Your policy regarding the Eisenhower Scholars” was that tuition and fees would be waived for eight semesters for a Kansas resident who is a national merit scholar to attend an undergraduate program at a public postsecondary institution. The draft refers to awards being made “until the requirements of the educational program in which the scholar is enrolled are completed” and makes no reference to the program being limited to undergraduates.

PROPOSED COMPOSITION OF JOINT COMMITTEE

Draft - March 5, 1998

The following is a redraft of subsections (a) and (b) of New Section 11, on page 8 of the typed version of the substitute bill to be subsection (a), (b) and (c) of New Section 11, with the remaining subsections redesignated accordingly:

(a) There is hereby created the joint committee on postsecondary education which shall be composed of five members of the senate and nine members of the house of representatives and shall be appointed in accordance with the following:

(1) The president of the senate shall appoint three of the senate members and the senate minority leader shall appoint two of the senate members;

(2) the speaker of the house of representatives shall appoint five of the representative members and the minority leader of the house of representatives shall appoint four of the representative members; and

(3) any vacancy in the membership of the joint committee shall be filled by appointment in the manner prescribed for the original appointment.

(b) All members of the joint committee on postsecondary education shall serve for terms of office ending on the first day of the regular session of the legislature in odd-numbered years. The joint committee shall organize annually and elect a chairperson and a vice-chairperson in accordance with this subsection. During calendar year 1999 and each odd-numbered year thereafter, the chairperson shall be one of the representative members of the joint committee and the vice-chairperson shall be one of the senate members of the joint committee. During calendar year 2000 and each even-numbered year thereafter, the chairperson shall be one of the senate members of the joint committee and the vice-chairperson shall be one of the representative members of the joint committee. The vice-chairperson shall exercise all of the powers of the chairperson in the absence of the chairperson. If a vacancy occurs in the office of chairperson or vice-chairperson, a member of the joint committee, who is a member of the same house as the member who vacated the office, shall be elected by the members of the joint committee to fill the vacancy.

(c) A quorum of the joint committee on postsecondary education shall be eight members. All actions of the joint committee shall be taken by a majority of all of the members of the joint committee. The joint committee on postsecondary education may meet at any time and at any place within the state on the call of the chairperson.

During the period of transition from general supervision by the state board of education of the community colleges, technical colleges, area vocational schools and area vocational-technical schools to coordination thereof by the state council on higher education and from control and supervision by the state board of regents of the state educational institutions to control and supervision thereof by the state council on higher education, the state board of education and the state board of regents shall provide such assistance as the state council may request in order to enable the state council to assume in an orderly manner the exercise of powers and the performance of duties and functions transferred under authority of this act. During such period of transition, the state council may exercise such powers and perform such duties and functions relating to the control or supervision of postsecondary educational institutions as may be authorized by interagency agreements entered into with the state board of regents or the state board of education.