

Approved: May 1, 1999
Date

MINUTES OF THE HOUSE COMMITTEE ON EDUCATION.

The meeting was called to order by Chairperson Ralph Tanner at 9:00 a.m. on March 19, 1999 in Room 313-S of the Capitol.

All members were present except:

Representative Tricia Lightner - Excused
Representative Kathe Lloyd - Excused
Representative Judy Showalter - Excused

Committee staff present:

Ben Barrett, Legislative Research Department
Carolyn Rampey, Legislative Research Department
Avis Swartzman, Revisor of Statutes
Connie Burns, Committee Secretary

Conferees appearing before the committee:

Representative Richard Rinehardt

Others attending: See attached list

Discussion on **SB 345 - Kansas higher education coordination act**

Representative Reinhardt appeared before the committee in support of the proposed State Aid Plan. He stated that the proposed plan for funding community colleges based upon the following criteria which will not affect the budget until Fiscal Year 2001. (Attachment 1)

- A full-time equivalent student is based upon 30 credit hours for Kansas residents.
- Includes the general, vocational education, and employee benefit funds.
- Requires that 80 percent of the increase in revenue from the plan be used for property tax relief.
- FTE enrollment is based upon prior year or current year, whichever is higher.

The chairman then directed the committee to look over and ask any questions about the way the restructure of Higher Education is proposed in the bill. The italicized is current and the regular type is proposed. (Attachment 2)

Dr. Jerry Farley, President of Washburn University, submitted written testimony in support of the bill. (Attachment 3)

The meeting was opened to comments and questions.

The meeting was adjourned at 10:45 a.m.

The next meeting is scheduled for March 22, 1999.



Kansas State Department of Education

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

March 19, 1999

TO: Representative Richard Reinhardt

FROM: Dale M. Dennis, Deputy
Commissioner of Education

SUBJECT: Community Colleges--Proposed State Aid Plans

Attached you will find a proposed plan for funding community colleges based upon the following criteria which will not affect the budget until Fiscal Year 2001.

- A full-time equivalent student is based upon 30 credit hours for Kansas residents.
- Includes the general, vocational education, and employee benefit funds.
- Requires that 80 percent of the increase in revenue from the plan be used for property tax relief.
- FTE enrollment is based upon prior year or current year, whichever is higher.

PLAN 20

COLUMN EXPLANATION

COLUMN	1	1997-98 Credit hour state aid
	2	1997-98 Out-District state aid
	3	1997-98 General state aid
	4	1997-98 Total state aid (Columns 1 + 2 + 3)
	5	1997-98 Actual or 1998-99 estimated FTE enrollment of Kansas residents, whichever is higher
	6	Estimated proposed state aid under proposed plan (\$3,904 x 50% x weighted FTE enrollment)
	7	State aid difference (Column 6 - 4)
	8	Estimated property tax relief assuming 80% of increase in revenue is used for property tax relief (80% of Column 7) <i>local level</i>
	9	Amount of revenue for enhancement (20% of Column 7)
	10	1998-99 Mill rate (general, vocational education, and employee benefit)
	11	Minimum mill rate reduction (Column 8 ÷ assessed valuation)
	12	Proposed mill rate (Column 10 - 11)

March 11, 1999

TIME LINE TO IMPLEMENT COMMUNITY COLLEGE OPERATING GRANTS AND PERFORMANCE FUNDING

The proposed time line is compatible with the community college funding proposal contained in H.B. 2439. Under H.B. 2439, the present credit hour basis for community college funding would be replaced with an operating grant that would be a percentage of the per pupil cost for undergraduates at Regents institutions. Under H.B. 2439, operating grant funding would begin in FY 2000. However, the following time line delays the conversion until FY 2001 in order to allow sufficient time to develop and implement performance indicators. The time line makes reference to policy changes that are not included in H.B. 2439 to show how H.B. 2439 would mesh with other policy options. The time line also addresses the extension of principles contained in H.B. 2439 to the Regents institutions and Washburn University.

FY 2000

- Legislation would be enacted to fund all vocational education courses offered by community colleges at two times the academic hour rate. (H.B. 2061, currently in the House Appropriations Committee, would make this change.)

FY 2001

- Community college funding would be on the basis of operating grants equal to 50 percent of the per pupil cost for undergraduates at the Regents institutions. The credit hour, out-district, and general state aid programs would be eliminated. County out-district tuition would continue, but would be phased out by FY 2005 and replaced with state aid as part of the operating grant.
- Performance indicators would be established. One purpose of the indicators would be to serve as a basis for performance funding, scheduled to begin in FY 2003.

FY 2002

- Operating grants for community colleges would be increased by an amount determined by the Legislature. (One option would be to increase them by the same percentage increase as the budgets for Regents institutions. Also, the operating grants would be adjusted annually to reflect changes in the per pupil cost for undergraduates at the Regents institutions.)
- Performance indicators would be implemented and community colleges would be responsible for developing ways to measure their success in relation to the indicators, in preparation for performance funding to begin in FY 2003.

**FY 2003
(and thereafter)**

- Operating grants would be increased by an amount determined by the Legislature. (The process would be the same as in FY 2002.)
- Of the operating grant increase, 2 percent would be allocated among the community colleges on the basis of performance indicators. Any money allocated to an institution on the basis of performance indicators would become part of the institution's base budget for the purpose of calculating the amount of money the institution would receive the following year.

Other Institutions

- In order to develop a coordinated system of higher education, changes proposed for community colleges would be applied to Regents institutions and Washburn University. By FY 2002, Regents institutions and Washburn University would be required to implement performance indicators that would serve as the basis for performance funding. Beginning in FY 2003, 2 percent of the State General Fund appropriation for these institutions would be allocated on the basis of performance indicators. Any money so allocated to a Regents institution or to Washburn University would become part of the institution's base budget for succeeding fiscal years.

Plan 29
No VE Weighting
50% Funding
With Mill Rates

Community College Proposed State Aid Plan - Reinhardt

	1	2	3	4	5	6	7	8	9	10	11	12
	1997-98	1997-98	1997-98	1997-98	97-98 or	Proposed	State Aid	Property	Amnt for	1998-99	Mill Rate	Proposed
	Credit Hour	Out-Dist	General	Total St. Aid	98-99 FTE*	State Aid**	Difference	Tax Relief	Add Enhan	Mill Rate***	Reduction	Mill Rate
	State Aid	State Aid	State Aid	(Col.1+2+3)			(Col. 8-4)	(80%*Col. 7)	(20%*Col. 7)		(8/Assd Val)	(Col. 10-11)
Allen Co	1,041,983	537,660	114,225	1,693,868	1,082.43	2,112,894	419,026	335,221	83,805	20.251	5.242	15.009
Barton Co	2,794,851	1,178,948	260,583	4,234,382	2,509.23	4,898,023	663,641	530,913	132,728	31.594	3.645	27.949
Butler Co	4,140,665	1,869,274	432,588	6,442,527	3,879.30	7,572,394	1,129,867	903,893	225,973	20.350	3.111	17.239
Cloud Co	1,534,140	830,724	281,962	2,646,826	1,460.93	2,851,743	204,917	163,934	40,983	28.301	3.103	25.198
Coffeyville	1,053,605	218,520	83,668	1,355,793	1,002.48	1,956,847	601,054	480,844	120,211	35.820	5.398	30.422
Colby	1,265,899	559,752	133,459	1,959,110	1,146.65	2,238,261	279,151	223,321	55,830	24.864	3.464	21.400
Cowley Co	2,769,158	835,020	211,385	3,815,563	2,112.75	4,124,088	308,525	246,820	61,705	17.535	1.567	15.968
Dodge City	2,737,064	338,280	142,115	3,217,459	1,826.65	3,565,621	348,162	278,529	69,632	23.307	1.587	21.720
Fort Scott	1,207,528	510,288	131,822	1,849,638	1,067.07	2,082,914	233,276	186,621	46,655	20.390	3.013	17.377
Garden City	1,540,495	332,136	32,453	1,905,084	1,683.77	3,286,716	1,381,632	1,105,305	276,326	15.740	3.089	12.651
Highland	1,278,261	753,869	240,839	2,272,969	1,280.50	2,499,536	226,567	181,254	45,313	17.260	3.953	13.307
Hutchinson	2,917,199	706,526	91,952	3,715,677	2,218.55	4,330,610	614,933	491,946	122,987	20.608	1.354	19.254
Independence	756,758	188,782	41,394	986,934	749.62	1,463,261	476,327	381,061	95,265	33.483	4.462	29.021
Johnson Co	9,373,395	1,030,657	111,695	10,515,747	8,113.91	15,838,354	5,322,607	4,258,086	1,064,521	7.227	0.992	6.235
Kansas City	3,036,057	721,806	89,043	3,846,906	3,179.65	6,206,685	2,359,779	1,887,823	471,956	16.017	2.705	13.312
Labette	1,307,949	276,120	116,738	1,700,807	1,191.41	2,325,625	624,818	499,855	124,964	23.152	5.566	17.586
Neosho Co	731,006	253,332	46,326	1,030,664	763.49	1,490,334	459,670	367,736	91,934	30.372	5.448	24.924
Pratt	983,349	316,332	53,542	1,353,223	825.18	1,610,761	257,538	206,030	51,508	36.346	2.706	33.640
Seward Co	1,021,222	211,458	25,999	1,258,679	1,081.75	2,111,570	852,891	682,313	170,578	22.321	3.389	18.932
Totals	41,490,584	11,669,484	2,641,788	55,801,856	36,145.77	70,556,548	14,754,692	11,803,754	2,950,938			

*Based on 30 credit hours per student (based on Kansas residents only). The higher FTE for either 97-98 or 98-99 school year was applied.

**Computed by multiplying FTE by \$1952 (\$3904 x 50%)

***Includes General Fund, Vocational Education Fund, and Employee Benefit Levies

98-99
58,806,346

**Duties of Boards Under S.B. 345
(As Amended by the Senate Education Committee)**

	Commission for State Educational Institutions Advisory to the Board of Regents Concerning the Regents Institutions	Commission for Community Colleges and Vocational/Technical Education Advisory to the Board of Regents Concerning the Community Colleges, Technical Colleges, and Area Vocational Schools	Commission for Higher Education Coordination Advisory to the Board of Regents Concerning the Coordination of Regents Institutions, Community Colleges, Techni- cal Colleges, and Area Vocational Schools and the Interface with Washburn University and the Private Colleges and Universities	Kansas Board of Regents
Authority to Adopt Rules and Regulations	Propose for adoption by the State Board of rules and regulations for operation and management of the Regents Institutions	Propose for adoption by the State Board of rules and regulations for supervision of the community colleges, technical colleges, and area vocational schools		<i>Existing authority</i>
Program and Course Initiation	Initiate plans for institutional advancement and new educational programs and courses of instruction	Initiate plans for institutional advancement and new educational programs and courses of instruction		<i>Existing authority, although initiative for programs and courses often comes from institutions</i>
Budget Requests	Formulate budget requests for the Regents institutions	Review requests of community colleges, technical colleges, and area vocational schools for state funding and formulate recommendations thereon		Review budget requests and requests for state funding of postsecondary educational institutions and present a unified budget for higher education to the Governor and the Legislature each year <i>Under existing authority, Board of Regents approves budgets for Regents institutions</i>
Program and Course Review	Review existing educational programs and courses of instruction at the Regents institutions and make decision with respect to the educational and economic justification, or lack thereof, for such programs and courses	Review existing and proposed educational programs, courses of instruction, and program and course locations and make recommendations to the State Board with respect to the approval or disapproval of such programs, courses, and locations	Review existing and proposed educational programs, courses of instruction, and program and course locations and make recommendations to the State Board with respect to the coordination of such programs, courses, and locations	Approve or disapprove for state funding existing and proposed educational programs, courses of instruction, and program and course locations <i>Under existing authority, Board of Regents approves new programs and degrees and off-campus courses and locations</i>
Public Policy Agenda	Develop each year a policy agenda for Regents institutions	Develop each year a policy agenda for community colleges, technical colleges, and area vocational schools		Develop each year and recommend to the Governor and the Legislature a policy agenda for higher education, which policy agenda shall assess priorities among proposals for policy change, programmatic recommendations, and state funding requests

	Commission for State Educational Institutions Advisory to the Board of Regents Concerning the Regents Institutions	Commission for Community Colleges and Vocational/Technical Education Advisory to the Board of Regents Concerning the Community Colleges, Technical Colleges, and Area Vocational Schools	Commission for Higher Education Coordination Advisory to the Board of Regents Concerning the Coordination of Regents Institutions, Community Colleges, Techni- cal Colleges, and Area Vocational Schools and the Interface with Washburn University and the Private Colleges and Universities	Kansas Board of Regents
Ongoing Studies	Conduct continuous studies of ways to maximize the utilization of resources available for public universities and initiate action for improvement	Conduct continuous studies of ways to maximize the utilization of resources available for community colleges, technical colleges, and area vocational schools and initiate action for improvement		Conduct continuous studies of ways to maximize the utilization of resources available for higher education in Kansas and initiate action for improvement Conduct continuous studies of how state policies affecting higher education and how Kansas economic and demographic trends impact upon accessibility to postsecondary education by Kansas residents, and initiate ways to improve such accessibility
Report to State Board	Make reports on the performance of its functions and duties together with any proposals and recommendations it may formulate with respect thereto at each regular meeting of the State Board	Make reports on the performance of its functions and duties together with any proposals and recommendations it may formulate with respect thereto at each regular meeting of the State Board	Make reports on the performance of its functions and duties together with any proposals and recommendations it may formulate with respect thereto at each regular meeting of the State Board	Receive and consider reports, proposals, and recommendations of the derivative boards and take such actions thereon as are deemed necessary or appropriate
Other Powers and Duties				Exercise such other powers and perform such other functions and duties as are deemed necessary and appropriate to the fulfillment of its constitutional and statutory responsibilities
Statewide Planning		Provide state wide planning for community colleges, technical colleges, and area vocational schools	Conduct continuous review and evaluation of the comprehensive plan for coordination of higher education and make recommendations as deemed necessary for amendment or modification of the plan	Adopt, from time to time amend, revise, or modify, and administer a comprehensive plan for coordination of higher education within this state
Uniform Data Base			Collect and analyze data and maintain a uniform postsecondary education data base	<i>Under existing authority, collects uniform data for Regents institutions</i>
Conflict Resolution			Resolve conflicts among and between postsecondary educational sectors and institutions	<i>Under existing authority, resolves conflicts among Regents institutions and, on a voluntary basis, with other institutional sectors</i>
Appointment of Regents CEOs	Formulate recommendations to the State Board with respect to the appointment of chief executive officers of the Regents institutions			<i>Under existing authority, appoints heads of Regents institutions</i>

	Commission for State Educational Institutions Advisory to the Board of Regents Concerning the Regents Institutions	Commission for Community Colleges and Vocational/Technical Education Advisory to the Board of Regents Concerning the Community Colleges, Technical Colleges, and Area Vocational Schools	Commission for Higher Education Coordination Advisory to the Board of Regents Concerning the Coordination of Regents Institutions, Community Colleges, Techni- cal Colleges, and Area Vocational Schools and the Interface with Washburn University and the Private Colleges and Universities	Kansas Board of Regents
Identify Core Indicators	Identify core indicators of quality performance for Regents institutions	Identify core indicators of quality performance for community colleges, technical colleges, and area vocational schools	Compile core indicators of quality performance for postsecondary educational institutions	Approve core indicators for public postsecondary institutions <i>Under existing authority, has identified core indicators for Regents institutions</i>
Broker Affiliations and Mergers*			Broker affiliations and mergers of postsecondary educational institutions	
Coordinate Interface With Other Institutions			Coordinate a state system interface with private colleges and universities and Washburn University	<i>Under existing authority, Board of Regents can voluntarily coordinate with other institutions</i>
Institutional Roles and Missions				Determine institutional roles and review institutional missions and goals
Articulation Procedures				Develop articulation procedures so that maximum freedom of transfer among and between postsecondary educational institutions is ensured
Distance Learning Technologies				Develop and implement a comprehensive plan for the utilization of distance learning technologies
Annual Report				Report annually on the performance of its functions and duties to the Governor and the Legislature
Student Financial Aid				<i>Under existing authority, Board of Regents administers a variety of state student assistance programs for students at public and private postsecondary institutions</i>

* Existing statutes provide for mergers of community colleges with community colleges and for mergers of community colleges with area vocational schools.



WASHBURN UNIVERSITY

Office of the President

March 18, 1999

Rep. Ralph Tanner, Chair
House Education Committee
Statehouse - Room 426-S
Topeka, KS 66612

Dear Chairman Tanner and members of the House Education Committee:

This letter represents Washburn University's endorsement of Senate Bill 345 as amended by the Senate Committee on Education. I regret that my schedule will not allow me to appear before you to discuss this matter, but if you have any questions, please refer them to Mr. David Monical, Executive Director of Governmental and University Relations.

Since my arrival in Kansas in the summer of 1997 there have been three initiatives to reorganize the state's higher education system. I was pleased to participate with the House Special Committee activities, to be a member of the Governor's Task Force on Higher Education Restructuring for Excellence, and to have been consulted by you and others in the Kansas Legislature as you consider the "Kansas Higher Education Coordination Act."

With each of these opportunities I have urged and supported coordination of all post-secondary education. Because Senate Bill 345 provides for a single coordination entity, I, therefore, support the provisions contained within the bill. Clearly the most elegant solution to more effectively coordinating the state's post-secondary education institutions would be a constitutional amendment to allow greater structural flexibility. However, if such an amendment is not deemed to be feasible, the concepts embodied in Senate Bill 345 represent an acceptable alternative.

As drafted, the bill will include Washburn University in the coordinated provision to ensure that it, along with the other post-secondary institutions of the state, are more effectively coordinated through a reconstituted board of regents. We welcome the opportunity to be a part of this revised structure and look forward to working with you and our colleagues in other institutions to ensure its successful implementation. Other than this change, the bill does not materially change Washburn University's status.

We hope you will be able to endorse the provisions of Senate Bill 345 and will do whatever we can to assist in improving coordination of Kansas post-secondary education.

Sincerely,

Jerry B. Farley
President