

Approved: April 10, 1999

Date

## MINUTES OF THE HOUSE COMMITTEE ON EDUCATION.

The meeting was called to order by Chairperson Ralph Tanner at 8:30 a.m. on March 29, 1999 in Room 313-S of the Capitol.

All members were present except:

Representative John Ballou - Excused  
Representative Kay O'Connor - Excused

Committee staff present:

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

Conferees appearing before the committee:

Carolyn Rampey, Legislative Research Department  
Representative Richard Reinhardt

Others attending:

See attached list

Chairman Tanner open discussion on **SB 345**. Carolyn Rampey, provided a review of the bill as amended by the Senate along with a table reflecting the duties of the Regents under the bill. ([Attachment 1](#))

One change is that Advisory Commissions would be established - The Board of Regents would be subdivided into three advisory commissions - one for community colleges, area vocational schools, and technical colleges; one for Regents institution; and one for higher education coordination. After July 1, 2002, only one representative of any one postsecondary educational institution could serve on a commission. This representative of a postsecondary education institution would be defined to mean someone who holds an associate degree, a bachelor's degree, or a certificate of completion from a postsecondary institution. ([Attachment 2](#))

Representative Bethell made a motion to amend page 7 by adding a new (8) and continue the numbering, the amendment is to formulate budget requests for state student assistance programs under the coordinating council. Representative Helgeson seconded the motion. The motion carried. ([Attachment 3](#))

Representative Reinhardt appeared before the committee for proposed changes to the community college funding. He stated that funding for community colleges would be brought under the Kansas Board of Regents for the purpose of performance funding. The funding change being proposed for community colleges would replace the present credit hour basis for community college funding with an operating grant, eliminating over the next four years the out district tuition paid by counties. ([Attachment 4](#))

Dale Dennis provided a table providing the potential cost of implementing the community college portion of the higher education financing plan and the criteria that will take effect in Fiscal Year 2000..([Attachment 5 and 6](#))

Representative Reinhardt stated the performance indicators would be established by the Board of Regents. This plan does not include Washburn University. He also stated that on the fiscal note the core indicators would not show up as a cost until 2003.

The meeting was adjourned at 10:00 a.m.

The next meeting is scheduled for March 30, 1999.





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

	<b>Commission for Public Universities</b> Advisory to the Board of Regents Concerning the Regents Institutions	<b>Commission for Community Colleges and Vocational/Technical Education</b> Advisory to the Board of Regents Concerning the Community Colleges, Technical Colleges, and Area Vocational Schools	<b>Commission for Higher Education Coordination</b> Advisory to the Board of Regents Concerning the Coordination of Regents Institutions, Community Colleges, Technical Col- leges, and Area Vocational Schools and the Inter- face with Washburn University and the Private Col- leges and Universities	<b>Kansas Board of Regents</b>
<b>Authority to Adopt Rules and Regulations</b>	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>
<b>Program and Course Initiation</b>	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>
<b>Budget Requests</b>	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>
<b>Program and Course Review</b>	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>
<b>Public Policy Agenda</b>	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
<b>Ongoing Studies</b>	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
<b>Report to State Board</b>	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 advisory commissions and take such actions thereon as are deemed necessary or appropriate



	Commission for Public Universities 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, Technical Colleges, and Area Vocational Schools and the Interface with Washburn University and the Private Colleges and Universities	Kansas Board of Regents
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			Formulate recommendations for the resolution of conflicts among and between postsecondary educational sectors and institutions	Resolve conflicts among and between postsecondary institutions  <i>Under existing authority, resolves conflicts among Regents institutions and, on a voluntary basis, with other institutional sectors</i>
Appointment of Regents CEOs	Make 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>
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 and coordinate 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



	<p align="center"><b>Commission for Public Universities</b> Advisory to the Board of Regents Concerning the Regents Institutions</p>	<p align="center"><b>Commission for Community Colleges and Vocational/Technical Education</b> Advisory to the Board of Regents Concerning the Community Colleges, Technical Colleges, and Area Vocational Schools</p>	<p align="center"><b>Commission for Higher Education Coordination</b> Advisory to the Board of Regents Concerning the Coordination of Regents Institutions, Community Colleges, Technical Col- leges, and Area Vocational Schools and the Inter- face with Washburn University and the Private Col- leges and Universities</p>	<p align="center"><b>Kansas Board of Regents</b></p>
<p><b>Student Financial Aid</b></p>				<p><i>Under existing authority, Board of Regents administers a variety of state student assistance programs for students at public and private postsecondary institutions</i></p>
<p><b>Adult Basic Education and Proprietary Schools</b></p>				<p>Authority of State Board of Education to approve Adult Basic Education programs and to license proprietary schools transferred to Board of Regents</p>
<p>* Existing statutes provide for mergers of community colleges with community colleges and for mergers of community colleges with area vocational schools.</p>				

SESSION OF 1999

**SUPPLEMENTAL NOTE ON SENATE BILL NO. 345**

As Amended by Senate Committee of the Whole

**Brief\***

S.B. 345 would create the Kansas Higher Education Coordination Act. The bill would make statutory changes to the Kansas Board of Regents and provide for the supervision by the Kansas Board of Regents of community colleges, area vocational schools, and technical colleges. No change would be made to the Board's existing governance of the Regents institutions. The administration of adult basic education and adult supplementary education programs and the regulation of proprietary schools also would be transferred from the State Board of Education to the Kansas Board of Regents. The bill would make the Board of Regents responsible for the coordination of postsecondary education, including Washburn University and the independent colleges and universities.

In addition, S.B. 345, as amended, would make the Board of Regents responsible for identifying core performance indicators that would serve as the basis for performance funding, which would begin July 1, 2002.

Major features of the bill are as follows:

- **Existing Board of Regents Would Be Abolished and New Board Created.** Upon publication of S.B. 345, as amended, in the *Kansas Register*, the current Board of Regents and the position of Executive Director of the Board would be abolished. There would be a wind-down period until June 30, 1999, and on July 1, 1999, the new Board of Regents created by the bill would become operational.

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\*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at [http://www.ink.org/public/legislative/bill\\_search.html](http://www.ink.org/public/legislative/bill_search.html)

HOUSE EDUCATION  
Attachment 2  
3-29-99



- **Nine-Member Board of Regents Would Be Established.** S.B. 345, as amended, would create a nine-member Board of Regents appointed by the Governor and confirmed by the Senate. After the initial appointment that would establish staggered terms, members would serve four-year terms, with a two-term limit. As currently is the case, one member of the Board of Regents would be a resident of each congressional district and the remaining members would be appointed at large, except that no two members could be from the same county. No more than five members could be from the same political party. The Governor would designate the first chairperson of the new Board, but after that the members would elect the chair. Members of the new Board of Regents would be appointed on or before July 1, 1999.
- **New Board Would Have Responsibilities to Govern, Supervise, and Coordinate.** There would be no change in the new Board's authority to govern (manage and control) the Regents institutions. Governance of the community colleges, area vocational schools, and technical colleges would continue to reside with local boards of trustees for the community colleges and local school district boards, boards of trustees, or multi-boards of control for the area vocational schools and technical colleges. Washburn University would continue to be governed by the Washburn University Board of Regents. Supervision of the community colleges, area vocational schools, and technical colleges would be transferred from the State Board of Education to the Kansas Board of Regents. The responsibility to license proprietary schools also would be transferred from the State Board of Education to the Board of Regents. Coordination between and among institutions and institutional sectors, including Washburn University and the independent colleges and universities, would be exercised by the Board of Regents.
- **Duties of the Board of Regents.** The Board would be charged with the following specific duties:
  - adopt and administer a comprehensive plan for coordination of higher education;

- determine institutional roles and review institutional missions and goals;
- develop articulation procedures among and between postsecondary institutions;
- approve or disapprove for state funding purposes existing and proposed educational programs, courses of instruction, and program and course locations;
- review budget requests and present a unified budget for higher education to the Governor and to the Legislature each year;
- approve core indicators of quality performance for postsecondary educational institutions;
- resolve conflicts among and between postsecondary educational institutions;
  - develop and implement a comprehensive plan for the utilization of distance learning technologies;
  - develop each year and recommend to the Governor and the Legislature a policy agenda for higher education that assesses priorities among proposals for policy change, programmatic recommendations, and state funding requests;
- conduct continuous studies of ways to maximize the utilization of higher education resources and of how to improve access to postsecondary education;
- receive and consider reports, proposals, and recommendations of commissions that are advisory to the Board and take such actions thereon as are deemed necessary or appropriate; and
- make annual reports on its functions and duties to the Governor and the Legislature.



- **Advisory Commissions Would Be Established.** The Board of Regents would be subdivided into three advisory commissions—one for community colleges, area vocational schools, and technical colleges; one for Regents institutions; and one for higher education coordination. At the time the Governor appoints each member to the Board of Regents, the Governor would designate the advisory commission on which the member is to serve. Each advisory commission would have three members and each member of the Board of Regents would serve on one of the commissions. After July 1, 2002, only one representative of any one postsecondary educational institution could serve on a commission. "Representative of a postsecondary educational institution" would be defined to mean someone who holds an associate degree, a bachelor's degree, or a certificate of completion from a postsecondary institution.

- **Duties of the Commission for Community Colleges and Vocational/Technical Education.** The Commission for Community Colleges and Vocational/Technical Education would have the following duties:

- propose for adoption by the Board rules and regulations for supervision of the community colleges, technical colleges, and area vocational schools;
- initiate plans for institutional advancement and new educational programs and courses of instruction;
- provide for statewide planning for community colleges, technical colleges, and area vocational schools;
- review existing and proposed educational programs, courses of instruction, and program and course locations and make recommendations to the Board with respect to the approval or disapproval of such programs, courses, and locations;
- review requests of community colleges, technical colleges, and area vocational schools for state funding and formulate recommendations thereon;

- identify core indicators of quality performance for community colleges, technical colleges, and area vocational schools;
- develop an annual policy agenda for community colleges, technical colleges, and area vocational schools;
- conduct continuous studies and make recommendations concerning ways to best use resources available for institutions under its jurisdiction; and
- make reports on the performance of its functions and duties together with any proposals and recommendations at each regular meeting of the Board of Regents.

● **Duties of the Commission for Public Universities.** The Commission for Public Universities would have the following duties:

- propose rules and regulations to the Board of Regents concerning the operation and management of the Regents institutions;
- initiate plans for institutional advancement and new educational programs and courses of instruction;
- formulate budget requests for the Regents institutions;
- make recommendations to the Board with respect to the appointment of chief executive officers of the Regents institutions;
- review existing educational programs and courses of instruction at the Regents institutions and make decisions with respect to the educational and economic justification for the programs and courses;
- develop an annual policy agenda for the Regents institutions;



- conduct continuous studies of ways to best use resources available for Regents institutions;
- make reports on the performance of its functions and duties together with any proposals and recommendations at each regular meeting of the Board of Regents; and
- identify core indicators of quality performance for Regents institutions.

- **Duties of the Commission for Higher Education Coordination.**  
The Commission for Higher Education Coordination would have the following duties:

- conduct continuous review and evaluation of the comprehensive plan for coordination of higher education and make recommendations for amendment, revision, or modification of the plan;
- review existing and proposed educational programs, courses of instruction, and program and course locations and make recommendations to the Board with respect to the coordination of programs, courses, and locations;
- collect and analyze data and maintain a uniform postsecondary education database;
- formulate recommendations for the resolution of conflicts among and between postsecondary educational sectors and institutions;
- compile core indicators of quality performance for all of the postsecondary educational institutions under the Board's jurisdiction;
- broker affiliations and mergers of postsecondary educational institutions;
- coordinate with Washburn University and the private colleges and universities in developing a state system of higher education; and

○ make reports on the performance of its functions and duties together with any proposals and recommendations at each regular meeting of the State Board of Regents.

● **New Board Would Assume Duties of Former Board of Regents and State Board of Education With Respect to Transferred Institutions.** Transfer language is included in S.B. 345, as amended, to make the newly-established Board of Regents the successor board to the current Board and to provide for the transfer of supervisory authority for the community colleges, area vocational schools, and technical colleges from the State Board of Education to the Kansas Board of Regents. These provisions address the transfer of current employees of the Board of Regents and the State Board of Education to the new Board of Regents if the new Board determines that the officers and employees are necessary to perform the new Board's powers, duties, and functions.

● **Performance Funding Would Be Implemented.** Beginning in FY 2003, the Legislature would appropriate funding to be allocated to postsecondary educational institutions, including Washburn University, on the basis of performance. The steps leading up to the commencement of performance funding are as follows:

○ During FY 2000, the Board of Regents would review performance indicators developed by the postsecondary educational institutions, including Washburn University and, working with the advisory commissions, select those indicators that would be implemented. Some of the indicators would become the basis for performance funding. Indicators could vary among the institutions and among institutional sectors.

○ During FY 2001, postsecondary educational institutions, including Washburn University, would develop institutional improvement plans showing how they would implement the performance indicators applicable to their institution and how they would measure their performance on the basis of each indicator. Institutional improvement plans

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~~2-6~~

would have to be revised and submitted to the Board of Regents by each institution at least every three years.

- By July 1, 2001 (the beginning of FY 2002), institutional improvement plans would be implemented for each institution, including Washburn University. Each institution would begin the data collection, measurement, or other documentation necessary in order for its performance to be evaluated with regard to each indicator.
- Beginning with FY 2003 and annually thereafter, the Legislature would make three specific appropriations for performance funding: one for the Regents institutions and Washburn University, one for community colleges, and one for technical colleges and area vocational schools. The Board of Regents, for each institutional sector, would allocate state funding on the basis of each institution's performance on its indicators, with the award being based on achieving excellence. The amount of money awarded to an individual institution would be a percentage of its appropriation from the State General Fund for the prior fiscal year and in no case could exceed 2.5 percent. Nothing would prevent the Board of Regents from allocating performance funding on an annual basis to an institution which, pursuant to its improvement plan, implemented a multi-year program or project to achieve excellence. In the case of a multi-year program or project, the institutional improvement plan would identify expected outcomes on an annual basis by which the institution's success in achieving its goals could be measured or documented by the Board of Regents for the purpose of allocating performance funding.
- **Legislative Educational Planning Committee Would Monitor Act.** The implementation and operation of the Kansas Higher Education Coordination Act would be monitored by the Legislative Educational Planning Committee, which would make an annual report concerning the Act to the Legislature and to the Governor. The report could include recommendations and proposed legislation to amend the Act.



## Background

S.B. 345, as amended, would continue the present authority of the Kansas Board of Regents over the Regents institutions; would transfer from the State Board of Education to the Kansas Board of Regents supervisory authority for the community colleges, technical colleges, and area vocational schools, and regulatory authority for proprietary schools; and would provide for the coordination of all postsecondary education in Kansas, including Washburn University and the independent colleges and universities.

The changes proposed in S.B. 345, as amended, would not require a constitutional amendment, nor would they change existing authority of the Board of Regents over the institutions it governs. The Board's authority to administer state student assistance programs, which affect students at area vocational schools, community colleges, Regents institutions, and independent colleges and universities, would not be affected. Also unaffected would be the powers and duties of community college boards of trustees and local governing boards for the technical colleges and area vocational schools. Although the bill would implement performance funding, it would not change any of the existing postsecondary funding mechanisms.

Many of the amendments added by the Senate Education Committee were clarifying or made for the sake of consistency. Substantive amendments included removing Washburn University from the supervision of the Board of Regents, which was viewed by Washburn as impinging upon the authority of the Washburn University Board of Regents to govern the institution. Instead, Washburn University would be placed under the Kansas Board of Regents for the purpose of coordination. The regulatory authority for proprietary schools would be transferred from the State Board of Education to the Kansas Board of Regents in order to consolidate schools that enroll mainly postsecondary students under one board. The school finance law would be amended to provide that, for purposes of the weighting applied to enrollments in vocational programs, secondary vocational programs offered by school districts in high schools would be approved by the State Board of Education and vocational programs offered by community

colleges, technical colleges, and area vocational schools would be approved by the Kansas Board of Regents.

The Senate Committee of the Whole made two substantive amendments to the bill. First, it added the stipulation that after July 1, 2002, a postsecondary educational institution can have only one representative on any given commission that is advisory to the Board. A representative is defined to be someone who holds an associate degree, a bachelor's degree, or a certificate of completion from the institution. The Senate Committee of the Whole also amended the bill to transfer administrative responsibility for adult basic education and adult supplemental education from the State Board of Education to the State Board of Regents.

If S.B. 345 is enacted, a trailer bill would be necessary to delete all references in the statutes to the authority of the State Board of Education over those institutions and functions that would be transferred to the Kansas Board of Regents and to make other clean-up amendments.

According to the fiscal note prepared by the Division of the Budget, the immediate fiscal impact of S.B. 345 would be that all funding for the existing Board of Regents and the Board's 18.0 FTE positions would be transferred to the new Board. In addition, all funding for those institutions and programs that would be transferred from the State Board of Education to the new Board of Regents would be transferred from one board to the other, along with salaries for 11.0 FTE positions. However, it has not been calculated what the fiscal impact would be of new responsibilities given to the Board of Regents. The amount of money available for performance funding would be subject to appropriation and would not begin until FY 2002.

A timeline of significant dates in S.B. 345, as amended, is as follows:

- Publication in the *Kansas Register*—S.B. 345, as amended, would become effective. The existing Board of Regents would be abolished, but would continue to function in a wind-down mode until June 30, 1999.

- July 1, 1999—The new Board of Regents would become operational and all powers, duties, and functions exercised by the former board would be transferred. By this date, appointments to the new board would be made and supervisory authority for the community colleges, area vocational schools, and technical colleges would be transferred from the State Board of Education to the new board, as would the regulatory authority to license proprietary schools.
- July 1, 2000—The Board of Regents would select performance indicators for each institution, including indicators to serve as the basis for performance funding.
- July 1, 2001—Institutions would implement institutional improvement plans and show how they would measure their performance on each performance indicator. Institutional improvement plans would be revised at least every three years.
- July 1, 2002—After this date, no postsecondary institution can have more than one representative on a commission. A representative is defined to mean a person who has an associate degree, a bachelor's degree, or a certificate of completion from the institution. Also on July 1, 2002, and annually thereafter, the Legislature would make appropriations for performance funding with an allocation for Regents institutions and Washburn University, an allocation for community colleges, and an allocation for technical colleges and area vocational schools. An institution could receive performance funding of up to 2.5 percent of its total State General Fund appropriation for the prior year.



1 together with any proposals and recommendations it may formulate with  
2 respect thereto at each regular meeting of the state board; and.

3 ~~(9) exercise such other powers and perform such other functions and~~  
4 ~~duties as are deemed necessary and appropriate to the fulfillment of its~~  
5 ~~responsibilities.~~

6 Sec. 10: 11. (a) The ~~board~~ **commission** for higher education coordi-  
7 nation shall meet at Topeka at least quarterly in each year on dates fixed  
8 by the ~~board~~ **commission**. Special meetings may be held upon the call  
9 of the chairperson of the ~~board~~ **commission** or upon petition to the chair-  
10 person by the other two members of the ~~board~~ **commission**. The date  
11 and place of all special meetings shall be designated in the call. Two  
12 members of the ~~board~~ **commission** shall constitute a quorum for the  
13 transaction of business but one member may adjourn any regular or spe-  
14 cial meeting to a definite time and place.

15 (b) The ~~board~~ **commission** for higher education coordination shall:

16 (1) Conduct continuous review and evaluation of the comprehensive  
17 plan for coordination of higher education and make recommendations as  
18 deemed necessary and appropriate for amendment, revision or modifi-  
19 cation of the plan;

20 (2) review existing and proposed educational programs, courses of  
21 instruction, and program and course locations and make recommenda-  
22 tions to the state board with respect to the ~~approval or disapproval~~ **co-**  
23 **ordination** of such programs, courses and locations;

24 (3) collect and analyze data and maintain a uniform postsecondary  
25 education data base;

26 (4) ~~resolve~~ **formulate recommendations for resolution of** conflicts  
27 among and between postsecondary educational sectors and institutions;

28 (5) ~~make recommendations to the state board with respect to the~~  
29 ~~appointment of chief executive officers of the state educational~~  
30 ~~institutions;~~

31 (6) ~~identify~~ (5) **compile and coordinate** core indicators of quality  
32 performance for postsecondary educational institutions;

33 (7) (6) broker affiliations and mergers of postsecondary educational  
34 institutions;

35 (8) (7) coordinate a state system interface **with the municipal uni-**  
36 **versity and** with private colleges and universities; and

37 (9) (8) **make reports on the performance of its functions and duties** ←  
38 together with any proposals and recommendations it may formulate with  
39 respect thereto at each regular meeting of the state board; and.

40 (10) ~~exercise such other powers and perform such other functions~~  
41 ~~and duties as are deemed necessary and appropriate to the fulfillment of~~  
42 ~~its responsibilities.~~

43 Sec. 12. (a) *During the 2000 fiscal year, the state board of re-*

(8) FORMULATE BUDGET REQUESTS FOR  
STATE STUDENT ASSISTANCE PROGRAMS

March 29, 1999

**TIME LINE TO IMPLEMENT COMMUNITY COLLEGE  
OPERATING GRANTS AND PERFORMANCE FUNDING FOR  
ALL POSTSECONDARY INSTITUTIONS**

The proposed time line is compatible with the community college funding proposal introduced earlier this Session and incorporates changes proposed in S.B. 345, which would bring community colleges, area vocational schools, technical colleges, and Washburn University under the Kansas Board of Regents for the purpose of performance funding.

The funding change being proposed for community colleges would replace the present credit hour basis for community college funding with an operating grant. The grant would be based on a percentage of the per-pupil cost for a full-time equivalent (FTE) undergraduate at the regional Regents institutions multiplied by each community college's FTE enrollment the prior year. The percentage would be 45 percent the first year and increase by five percentage points each year until FY 2004, when it would be 65 percent. County out-district tuition would be phased out over a four-year period beginning in FY 2001 and replaced with state aid. Upon the conversion of community college funding to an operating grant, whatever the dollar amount of that percentage increase for the community colleges (excluding state aid replacement for county out-district tuition), the same amount of dollars would be made available to Regents institutions for faculty salary enhancements over and above normal operating budget increases.

**FY 2000**

- Community college funding would be on the basis of operating grants equal to 45 percent of the per-FTE pupil cost for undergraduates at the regional Regents institutions multiplied by the community college's FTE enrollment the prior year. The credit hour, out-district, and general state aid programs would be eliminated. County out-district tuition would continue in FY 2000, but would be phased out over a four-year period. No community college would get less in FY 2000 than it did in FY 1999. Also in FY 2000, Regents institutions would get an enhanced amount of funding for faculty salaries based on the increase in total funding for community colleges attributable to the percentage increase in per-pupil costs.

**FY 2001**

- Community college grants would be increased to equal 50 percent of the per-FTE pupil cost for undergraduates at the regional Regents institutions. (Operating grants would be adjusted annually to reflect changes in the per-FTE pupil cost for undergraduates at the regional universities.) County out-district tuition would begin to phase out, with the reduction being replaced by the state as part of the operating grant. Regents faculty salary enhancements would continue in an amount equal to community college funding increases attributable to the percentage increase in per-

pupil costs.

- Performance indicators would be established by the Board of Regents for all postsecondary institutions under the Board for the purpose of performance funding, as provided for in S.B. 345 (Regents institutions, community colleges, area vocational schools, technical colleges, and Washburn University). 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 to equal 55 percent of the per-FTE pupil cost for undergraduates at regional Regents institutions. The state would continue to replace revenues lost due to the phase-out of county out-district tuition. Regents faculty salary enhancements would continue.
- Performance indicators would be implemented for all postsecondary institutions. Institutions 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**

- Operating grants for community colleges would be increased to equal 60 percent of the per pupil cost for undergraduates at regional Regents institutions. Regents faculty salary enhancements would continue.
- Performance funding would begin, with allocations made by the Board of Regents to each postsecondary institution on the basis of each institution's attainment of success and excellence on its indicators. Each institution would be eligible to receive additional funding of up to 2 percent of its State General Fund appropriation for the prior year. (For area vocational schools and technical colleges, the award would be based on total funding for the postsecondary state aid program the prior year.)

#### **FY 2004**

- Operating grants for community colleges would be increased to equal 65 percent of the per-FTE pupil cost for undergraduates at regional Regents institutions. The phase-out of county out-district tuition would be complete, with lost revenues being replaced by the state. Regents faculty salary enhancements would continue.
- Performance funding would continue.





# 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: Higher Education Funding

Listed below is a table prepared at your request that provides the potential cost of implementing the community college portion of the higher education financing plan. Under this proposal, it is assumed the full plan would be implemented in Fiscal Year 2004.

	Fiscal Year <u>2001</u>	Fiscal Year <u>2002</u>	Fiscal Year <u>2003</u>	Fiscal Year <u>2004</u>	<u>TOTALS</u>
Percent of SBR					
Amount Per Pupil	50%	55%	60%	65%	
Est. Cost Per Year	\$ 14,750,000	\$ 7,500,000	\$ 7,500,000	\$ 7,500,000	\$ 37,500,000
Est. Normal State Aid					
Increase	*\$ 6,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 15,000,000
Net Cost	\$ 8,750,000	\$ 4,500,000	\$ 4,500,000	\$ 4,500,000	\$ 22,350,000
Out-District Tuition					
Phase-Down Per Hour**	\$ 18	\$ 12	\$ 6	0	
Out-District Phase-Down Cost	\$ 3,440,000	\$ 3,440,000	\$ 3,440,000	\$ 3,440,000	\$ 13,760,000
Est. Core Indicator Cost	\$ 1,400,000	\$ 1,600,000	\$ 1,800,000	\$ 2,000,000	\$ 6,800,000

\*Two-year growth--FY 1999 to FY 2001

\*\*Current law provides \$24 per credit hour

## ESTIMATED PROJECTED STATE COST

	<u>Excluding Normal Growth</u>	<u>Including Normal Growth</u>
FY 2001	\$ 13,590,000	\$ 19,590,000
FY 2002	9,540,000	12,540,000
FY 2003	9,740,000	12,740,000
FY 2004	9,940,000	12,940,000
TOTALS	\$ 42,810,000	\$ 57,810,000

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HOUSE EDUCATION

Attachment 5

3-29-99



# Kansas State Department of Education

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

March 26, 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 take effect in Fiscal Year 2000.

- 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.
- Phases in the state entitlement per pupil received by the State Board of Regents institutions for undergraduate students from 45 percent in Fiscal Year 2000 to 65 percent in Fiscal Year 2004.
- Guarantees that all community colleges will receive at least the amount of state aid received in Fiscal Year 1998.
- Leaves out-district tuition as provided in current law.
- All duties currently performed by the State Board of Education would be transferred to the new State Board of Regents.
- Estimated increase in flow-through funds -- FY 2000:

TOTAL Requirements (based on 45%)	\$ 63,722,715
FY 2000 Recommendation of Governor	\$ 62,264,146
Additional Requirements	\$ 1,458,569

<u>Fiscal Year</u>	<u>Percent of SBR Amount Per Student</u>	<u>Additional* Amount Per Year</u>
2000-2001	50%	\$ 7,000,000
2001-2002	55%	\$ 7,140,000
2002-2003	60%	\$ 7,283,000
2003-2004	65%	\$ 7,428,500

\*Excludes future increases in Regents' schools state aid per pupil.

PLAN 30

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 45% 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)
	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)



### 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. 6-4)	(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	1,901,821	207,953	166,363	41,591	20.251	2.601	17.650
Barton Co	2,794,851	1,178,948	260,583	4,234,382	2,509.23	4,408,723	174,341	139,473	34,868	31.594	0.957	30.637
Butler Co	4,140,665	1,869,274	432,588	6,442,527	3,879.30	6,815,930	373,403	298,722	74,681	20.350	1.028	19.322
Cloud Co	1,534,140	830,724	281,962	2,646,826	1,460.93	2,566,861	-79,965	-63,972	-15,993	28.301	-1.211	29.512
Coffeyville	1,053,605	218,520	83,668	1,355,793	1,002.48	1,761,363	405,570	324,456	81,114	35.820	3.643	32.177
Colby	1,265,899	559,752	133,459	1,959,110	1,146.65	2,014,664	55,554	44,443	11,111	24.864	0.689	24.175
Cowley Co	2,769,158	835,020	211,385	3,815,563	2,112.75	3,712,102	-103,461	-82,769	-20,692	17.535	-0.525	18.060
Dodge City	2,737,064	338,280	142,115	3,217,459	1,826.65	3,209,424	-8,035	-6,428	-1,607	23.307	-0.037	23.344
Fort Scott	1,207,528	510,288	131,822	1,849,638	1,067.07	1,874,836	25,198	20,159	5,040	20.390	0.325	20.065
Garden City	1,540,495	332,136	32,453	1,905,084	1,683.77	2,958,381	1,053,297	842,637	210,659	15.740	2.355	13.385
Highland	1,278,261	753,869	240,839	2,272,969	1,280.50	2,249,839	-23,131	-18,504	-4,626	17.260	-0.404	17.664
Hutchinson	2,917,199	706,526	91,952	3,715,677	2,218.55	3,897,992	182,315	145,852	36,463	20.608	0.401	20.207
Independence	756,758	188,782	41,394	986,934	749.62	1,317,085	330,151	264,120	66,030	33.483	3.093	30.390
Johnson Co	9,373,395	1,030,657	111,695	10,515,747	8,113.91	14,256,141	3,740,394	2,992,316	748,079	7.227	0.697	6.530
Kansas City	3,036,057	721,806	89,043	3,846,906	3,179.65	5,586,652	1,739,746	1,391,797	347,949	16.017	1.994	14.023
Labette	1,307,949	276,120	116,738	1,700,807	1,191.41	2,093,301	392,494	313,995	78,499	23.152	3.496	19.656
Neosho Co	731,006	253,332	46,326	1,030,664	763.49	1,341,454	310,790	248,632	62,158	30.372	3.683	26.689
Pratt	983,349	316,332	53,542	1,353,223	825.18	1,449,850	96,627	77,301	19,325	36.346	1.015	35.331
Seward Co	1,021,222	211,458	25,999	1,258,679	1,081.75	1,900,629	641,950	513,560	128,390	22.321	2.551	19.770
Totals	41,490,584	11,669,484	2,641,788	55,801,856	36,145.77	63,508,123	7,706,267	6,165,013	1,541,253			

\*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 \$1757 (\$3904 x 45%)

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