

MINUTES OF THE HOUSE COMMITTEE ON HIGHER EDUCATION.

The meeting was called to order by Chairperson Lisa Benlon at 3:30 p.m. on February 13, 2002 in Room 231-N of the Capitol.

All members were present except: Ralph Tanner (E)

Committee staff present: Carolyn Rampey, Legislative Research
Paul West, Legislative Research
Renaë Jefferies, Revisor of Statutes
Dee Ann Woodson, Committee Secretary

Conferees appearing before the committee:

Dr. Duane M. Dunn, President Manhattan Area Technical College and President of the
Kansas Association Technical Schools and Colleges
Camille Kluge, President Wichita Area Technical College and Vice President of the
Kansas Association Technical Schools and Colleges
James R. Laney, Director, Engineering Services and Product Safety, Cessna Aircraft
Company of Wichita

Others attending: See attached list.

HB 2820 - Vocational education, determination of credit hour equivalencies by the State Board of Regents

HB 2821 - Vocational education, tuition rates for postsecondary students

Chairperson Benlon opened hearings on **HB 2820** and **HB 2821**, and called the first conferee, Dr. Duane Dunn, to present his testimony in support of these bills. Dr. Dunn, representing the 16 member organization of the Kansas Association of Technical Schools and Colleges, requested to speak in favor of both bills simultaneously. (Attachment 1)

Dr. Dunn explained their interest in implementing a change in the tuition structure for the clock hour programs provided by technical schools and colleges. He stated that the structure had for several years resulted in a disincentive for their institutions to expand instructional programs and meet the enrollment and employer requests for technical education. He said the Association had endorsed a concept that would allow their institutions to become more responsible for establishing the student tuition rates and less dependent upon a formula that is ultimately based upon the state's appropriation. Dr. Dunn explained his handout and how the tuition would be calculated. He also clarified how the institution's generation of clock hours fluctuates the actual cost per hour of instruction would fluctuate as well. He said that with a capped allocation it becomes necessary to "target" the number of hours of instruction estimated in the initial budget formulation request. He stated that if an institution expands instruction the cost per hour decreases, and as a result the amount of aid becomes a downward spiral. He added that if the institutions generation of instruction decreases, then the cost per hour increases which results in the amount of aid possibly spiraling upward.

Dr. Dunn testified that in an effort to increase their institutional responsibility for growth and service to their constituents, their members have sought to remove the local student tuition cap which places more responsibility on themselves, but does not remove the state's responsibility to fund our instructional efforts. He stated that **HB 2821** would remove the 15% cap on local student tuition rates, and result in allowing them to establish a market driven tuition rate. His handout included a six year comparison of tuition rates at ten Kansas technical schools and colleges which are not a part of the community colleges. He explained that it showed that there was no uniformity currently in the student tuition rates.

In regard to **HB 2820**, Dr. Dunn spoke in favor of removing the statute definition of the length of a credit hour. He said currently the only institutions that have a statute definition are the technical colleges. He

CONTINUATION SHEET

stated that they were asking that it be removed and allow the Board of Regents, through policies and procedures, to set the definition of a credit hour and then they can work with them for uniformity between the institutions across the state.

The second proponent to speak in favor of **HB 2820** and **HB 2810** was Camille Kluge, President, Wichita Area Technical College (WATC) and Vice President of the Kansas Association of Technical Schools and Colleges, who spoke in favor of both bills. Ms. Kluge distributed a handout that gave an example of how the current Credit Hour/Clock Hour Conversion Rate and its impact on students and post-secondary institutions across the state by using the Wichita area as an example. She said the chart demonstrated the disparity of credit hours and cost of a course for the practical nurse program offered by each sector of the Regents' institutions. She explained her example and how it affects students who might later decide to go on and get an RN degree. She stated the cost factor of WATC of being required to pay its instructor for working 150 hours and the classroom is busy for 150 hours which significantly increases the cost of delivering the course. Ms. Kluge disclosed that other post-secondary institutions are not penalized with increased instructor pay and facilities used when they deliver 90 clock hours to earn five college credits. (Attachment 2)

Ms. Kluge testified that WATC is currently turning students away, and it can be as significant as 10 or 12 students per program. She said that those students will not always be able to substitute a community college program for a WATC program, or they could seek more costly alternatives such as private institutions that charge a significantly higher rate. She pointed out that those alternatives deplete federal, state, and local financial assistance resources more quickly than enrollments in public institutions. She stated that the only way they could add programs was by eliminating existing programs because of lack of resources.

Ms. Kluge concluded her testimony by introducing Jim Laney, Director of Engineering Services and Product Safety, Cessna Aircraft Company, who spoke briefly in support of these bills and how Cessna's operations are affected by the issues related to this legislation.

Representative Lane asked Mr. Laney if they had a business relationship with Wichita State University to train people, and Mr. Laney said that at the present they are specifically involved with the Wichita Area Technical College for training as well as the FAA. He added that there is no financial agreement or no business relationship other than they provide the students and the Technical College provides the training. He said what they would like to see when they announce a growth opportunity a couple of years in advance that the community would respond. He stated that right now they can only get 61 trained per year, so would have to turn down all the others wanting this training and job opportunity.

Inquiry was made if there were any Fiscal Notes on these two bills, and Chairperson Benlon related that she had received Fiscal Notes on both the bills stating that there was no fiscal effect on the state. (Attachment 3)

The Chair announced that they had received written testimony from Dr. Kim Wilcox, President and CEO of the Kansas Board of Regents expressing support of both **HB 2820** and **HB 2821**. (Attachment 4)

Seeing no further questions and having no opponents appearing to testify, Chairperson Benlon closed the hearings on HB 2820 and HB 2821.

Chairperson Benlon directed the Committee's attention to the minutes of the February 11 meeting. Representative Pottorff made a motion to approve the minutes as written, seconded by Representative Phelps, and the motion carried.

Chairperson Benlon adjourned the meeting at 4:35 p.m. The next meeting of the House Higher Education Committee will be Monday, February 18, Room 231-N, at the Capitol.

HOUSE HIGHER EDUCATION COMMITTEE GUEST LIST

DATE Feb. 13, 2002

NAME	REPRESENTING
Michael F. Whit	Kearney Law KATSC
Duane Dunn	Manhattan Area Technical College
Blake Flander	"
Linda Henry	Northwest Ks. Tech. College
Sue Peterson	K STATE
Bernie Koch	Wichita Area Chamber
Michael D. Pepoon	Sedgwick County
John Stedrick	The Boeing Company
Lyette M. Bridgforth	Washburn University (social work)
Stav Edmonson	Washburn University (social work dept)
Shirley Antea	Northwest Kansas Technical College
Diane Gjerstad	Wichita Public Schools
Camille King	Wichita Area Technical College
James R. Raney	Cessna Aircraft Company

House Higher Education Committee
Representative Lisa Benlon, Chair
February 13, 2002

Duane M. Dunn, Ed.D.
President of Kansas Association of Technical Schools and Colleges

I appreciate the opportunity to explain our interest in implementing a change in the tuition structure for the clock hour programs provided by technical schools and colleges. The structure has, for the last several years, resulted in a disincentive for our institutions to expand instructional programs and meet the enrollment and employer requests for technical education.

Our association has endorsed a concept that would allow our institutions to become more responsible for establishing the student tuition rates and less dependent upon a formula that is ultimately based upon the state's appropriation. Attached to this handout is a copy of the post-secondary aid reimbursement worksheet and the tuition calculation worksheet. These worksheets have been essentially unchanged since the initial formation of technical schools nearly 40 years ago. The worksheets are used by Regents staff for the purpose of allocating funds to the technical school/college. As indicated in line 34 the post-secondary aid allocation is based upon the actual amount expended by the institution in connection with the amount of clock hour instruction provided by the institution. Regent staff establishes the allocation of post-secondary aid annually once the state budget appropriation bill is signed. As an institution's generation of clock hours fluctuates the actual cost per hour of instruction will fluctuate as well. With a capped allocation it becomes necessary to "target" the number of hours of instruction estimated in the initial budget formulation request. If an institution expands instruction (through improved retention, increased enrollment, or additional classes/sections) the cost per hour decreases. As a result the amount of aid becomes a downward spiral. If the institutions generation of instruction decreases (through increased attrition, lowered enrollments, or cancellation or elimination of classes/sections) the cost per hour increases. As a result, the amount of aid could spiral upward.

In an effort to increase our institutional responsibility for growth and service to our constituents, our members have sought to remove the local student tuition cap that is determined by the tuition worksheet. This places more responsibility on us, but does not remove the state's responsibility to fund our instructional efforts. House Bill 2821 would remove the 15% cap on local student tuition rates, and result in allowing us to establish a market driven tuition rate. I emphasize the term market driven as we would, as institutional administrators, be required to effectively determine a student tuition rate that is fair to the student, is competitive with peer institutions, and can meet qualifications for federal financial aid assistance.

An spreadsheet of current and 6 year trends in tuition rates at the technical schools/colleges is attached. The names of the schools are not included, nor do the figures include the community colleges that receive post-secondary aid for some of their courses as they are funded on a statewide average of clock hour program costs. I believe you will observe that the tuition rates are quite different among our institutions and the data would support the concept that the current cap is no longer justifiable.

Our member institutions recognize the dilemma facing the state. We are willing to be proactive in assuming the responsibility of establishing a local tuition rate that is acceptable to students, meets compliance requirements, and is approved by our Boards of governance. We feel it is important to stress that the lack of adequate funding for our institutions must not be forgotten through this process. The continued decline in funding, the lack of incentives to increase enrollment, and the lack of a dedicated funding mechanism hinder our ability to serve the state's economic develop initiatives. The removal of the tuition cap is a small but essential step. We ask for your support of HB 2821.

ESTIMATED
2001 - 2002 Technical Schools and Colleges Operating Expense and Enrollment
Form for Computing Postsecondary Aid

EXPENDITURES

1	1000 Instruction		
2	2100 Student Support Services		
3	2200 Instructional Support Staff		
4	2300 General Administration		
5	2400 School Administration		
6	2600 Operations and Maintenance		
7	2700 Student Transportation Services		
8	2500, 2800, 2900 Other Support Services		
9	3000 Operation of Non-Instructional Services		
10	3300 Community Service Operations		
11	3400 Student Activities		
12	4000 Facilities Acquisition and Construction Services		
(H)	13 Capital Outlay (K-Tech, Vocational Education Instructional Equipment Aid)		
(A)	14 Capital Outlay & Technology Grant State Aid		
	15 USD Capital Outlay Fund (K.S.A. 72-8801 et seq.)		
(F)	16 Reimbursable expenditures not listed above		
(D)	17 Contracts with community colleges & other state institutions		
(I)	18 Kansas Technology Innovation and Internship Program		
(G)	19 JTPA (100% funded projects) and Pell Grants		
	20 Carl Perkins		
	21 Scholarships (postsecondary students) (K.S.A. 72-4435)		
(E)	22 TOTAL EXPENDITURES (sum of lines 1 through 21)		\$0

DEDUCTIONS

23 A	4000 Facilities Acquisition and Construction Services (Ln. 12)		
B	Capital Outlay (K-Tech, Voc. Educ. Instr. Equip.. Aid) (Ln. 13)		
C	Capital Outlay & Technology Grant State Aid (Ln. 14)		
D	USD Capital Outlay Fund (Ln. 15)		
E	Reimbursable expenditures (Ln. 16)		
F	Contracts with community colleges & other state institutions (Ln. 17)		
G	Kansas Technology Innovation & Internship Program (Ln. 18)		
H	JTPA (100% funded projects) and Pell Grants (Ln. 19)		
I	Carl Perkins (Ln. 20)		
J	Scholarships (postsecondary students) (Ln. 21)		
K	All other Federal Aid (excluding 23H & 23I)		
L	Total Deductions (sum of lines 23A through 23K)		\$0

4	TOTAL OPERATING EXPENDITURES (Ln. 22 minus 23L)		\$0
25	OPERATING BUDGET (approved by the Kansas Board of Regents)		
26	NET OPERATING COST (Local Cost) (lower of Ln. 24 or 25)		\$0

ENROLLMENT FOR THE 2001-2002 SCHOOL YEAR

(B,C)	27	Total eligible hours of postsecondary instruction	
(B,C)	28	Total eligible hours of secondary instruction	
(B)	29	Total ineligible hours of postsecondary instruction (includes out-of-state enrollment)	
(B)	30	Total ineligible hours of secondary instruction (includes out-of-state enrollment)	
(B)	31	TOTAL ENROLLMENT (sum of lines 27 through 30)	0.00
	32	Average local cost per enrollment hour (Ln. 26 divided by Ln. 31)	#DIV/0!
	33	85% of Line 32	#DIV/0!

34 POSTSECONDARY AID (Ln. 27 times Ln.33)

#DIV/0!

- | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>(A) Include revenue received under K.S.A. 72-4440 et. seq.
 (B) Lines 27 through 31 should not include courses taught through a contractual agreement with a community college. Include JTPA funded project courses.
 (C) Includes approved short term courses.
 (D) Include KSIR money.
 (E) Include total of all special projects, including local, state, and federal money.
 (F) Reimbursables means actual expenditures in which revenue has been or will be received (see instructions).
 (G) Exclude student tuition paid by the federal government.
 (H) Include revenue received under K.S.A. 72-4436 et. seq.
 (I) Include revenue received under K.S.A. 72-4466 et. seq.</p> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Signature

Title

Date

Send to: Kansas Board of Regents
 Attn: Kelly Oliver
 1000 SW Jackson St., Suite 520
 Topeka, KS 66612-1368
 Fax: (785) 296-0983

KANSAS BOARD OF REGENTS
TECHNICAL SCHOOLS AND COLLEGES
FY 2001 TUITION CALCULATION WORKSHEET

IN-STATE STUDENTS

FY 2001 Operating Budget Recommended by KBOR Staff _____

DIVIDED BY

Total Estimated Clock Hours for FY 2001 _____

MULTIPLIED BY 15 PERCENT EQUALS

In-State Tuition Rate Per Hour for FY 2001 _____

OUT-OF-STATE STUDENTS

FY 2001 Operating Budget Recommended by KBOR Staff _____

DIVIDED BY

Total Estimated Clock Hours for FY 2001 _____

EQUALS

Out-of-State Tuition Rate Per Hour for FY 2001 _____

updated 6/12/00 ddunn

ccvtfdfy2001fy2001techschooltuitioncalcworksheet

6 yr. Comparison of tuition rates at Ks. technical schools and colleges

SCHOOL	1997 TUITION	Student Cost	1998 TUITION	Student Cost	% INC. PREV. YR.	1999 TUITION	Student Cost	PREV YR % INC.
A	6.87	1.03	7.15	1.07	3.92	7.45	1.12	4.03
B	6.83	1.02	7.03	1.05	2.84	7.25	1.09	3.03
C	6.67	1.00	6.96	1.04	4.17	7.63	1.14	8.78
D	6.80	1.02	7.22	1.08	5.82	7.25	1.09	0.41
E	4.35	0.65	4.45	0.67	2.25	4.52	0.68	1.55
F	6.00	0.90	6.30	0.95	4.76	6.67	1.00	5.55
G	7.46	1.12	7.50	1.13	0.53	7.92	1.19	5.30
H	6.30	0.95	6.50	0.98	3.08	6.75	1.01	3.70
I	6.00	0.90	6.00	0.90	0.00	6.74	1.01	10.98
J	6.34	0.95	6.72	1.01	5.65	7.15	1.07	6.01
K	6.25	0.94	6.95	1.04	10.07	8.64	1.30	19.56
Average	6.35	0.95	6.62	0.99		7.09	1.06	
State Share		5.40		5.62			6.02	

2000 TUITION	Student Cost	PREV YR % INC.	2001 TUITION	Student Cost	PREV YR % INC.	2002 TUITION	Student Cost	PREV YR % INC.
7.60	1.14	1.97	8.00	1.20	5.00	8.25	1.24	3.03
7.50	1.13	3.33	7.50	1.13	0.00	7.75	1.16	3.23
7.19	1.08	-6.12	7.34	1.10	2.04	7.48	1.12	1.87
7.50	1.13	3.33	8.00	1.20	6.25	8.17	1.23	2.08
4.62	0.69	2.16	4.64	0.70	0.43	4.65	0.70	0.22
6.67	1.00	0.00	7.52	1.13	11.30	8.14	1.22	7.62
7.94	1.19	0.25	8.30	1.25	4.34	8.50	1.28	2.35
7.00	1.05	3.57	7.33	1.10	4.50	7.67	1.15	4.43
6.71	1.01	-0.45	7.18	1.08	6.55	7.12	1.07	-0.84
7.66	1.15	6.66	7.72	1.16	0.78	7.79	1.17	0.90
8.64	1.30	0.00	8.64	1.30	0.00	8.64	1.30	0.00
7.18	1.08		7.47	1.12	3.74	7.65	1.15	2.26
	6.11			6.35			6.50	

SCHOOL	6 YEAR INCREASE	6 YR % INCREASE	FY02 COST PER STUDENT*
A	1.13	16.45	1381.05
B	0.67	9.81	1297.35
C	0.67	10.04	1252.15
D	1.20	17.65	1367.66
E	0.29	6.67	778.41
F	1.52	25.33	1362.64
G	0.84	11.26	1422.90
H	1.03	16.35	1283.96
I	1.18	19.67	1191.89
J	1.38	21.77	1304.05
K	2.39	38.24	1446.34
Average	1.12	17.57	1280.76
State Share		14:93	

*Using a 9-month program (1116 hour program) as a standard.

House Higher Education Committee
Representative Lisa Benlon, Chair
February 13, 2002

Camille E. Kluge, President
Wichita Area Technical College
House Bills: Clock Hour to Credit Hour Conversion *and* Tuition Cap

Thank you for allowing me to provide an example of how the current Credit Hour/Clock Hour Conversion Rate impact on students and postsecondary institutions across the state by using the Wichita area as an example. The following chart demonstrates the disparity of credit hours and cost of *Human Anatomy & Physiology* courses offered by each sector of the Regents institutions.

**Human Anatomy & Physiology
90-105 Clock Hours (contact hours)**

Institution	Credit Hours	Clock/ Contact Hours	Tuition & Fees (per Credit Hour)	Cost
Wichita Area Technical College	3	90	\$33.00	\$ 99.00
Cowley County Community College	5	90	\$45.00	\$225.00
Wichita State University	5	105	\$94.10	\$470.50

Human Anatomy & Physiology (A&P) is part the Practical Nurse (PN) one-year diploma program at Wichita Area Technical College (WATC). If the WATC A&P course is taken, the student is in class for 90 hours and receives 3 hours of college credit. We must advise our PN students that if they think they might want to continue their education and earn a Registered Nurse (RN) two-year degree, they should take A&P from a community college because WATC's A&P course will not meet the 5 credit hour requirement of the RN associate degree program. WATC students would be required to take A&P again, although the number of contact hours is the same as the requirement at Cowley County Community College (CCCC), as shown above.

In addition, the revenue from tuition generated by WATC for a 150-clock hour course for 5 college credits is \$165.00. WATC must pay its instructor for working 150 hours and the classroom is busy for 150 hours, significantly increasing the cost of delivering the course. Other postsecondary institutions are not penalized with increased instructor pay and facilities use when they deliver 90 clock hours to earn 5 college credits.

How bad is it? In Wichita, we are turning students away.

Where do they go? Students who cannot enroll with WATC may seek similar training at area community colleges. Students will not always be able to substitute a community college program for a WATC program. They also seek more costly alternatives, such as private institutions that charge a significantly higher rate. These alternatives deplete federal, state, and local financial assistance resources more quickly than enrollments in public institutions.

WATC cannot respond quickly to emerging workplace training and development needs. The only way we can add programs is by eliminating existing programs. While that may work for a while, it is not a good long-term strategy.

Jim Laney, Director of Engineering Services & Product Safety, Cessna Aircraft Company, is here with me today in support of this legislation. With your permission, Mr. Laney will talk about how Cessna operations are affected by the issues related to the two bills now before you.



DIVISION OF THE BUDGET
State Capitol Building, Room 152-E
Topeka, Kansas 66612-1575
(785) 296-2436
FAX (785) 296-0231
<http://da.state.ks.us/budget>

Bill Graves
Governor

Duane A. Goossen
Director

February 13, 2002

The Honorable Lisa Benlon, Chairperson
House Committee on Higher Education
Statehouse, Room 115-S
Topeka, Kansas 66612

Dear Representative Benlon:

SUBJECT: Fiscal Note for **HB 2821** by House Committee on Higher Education

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2821 is respectfully submitted to your committee.

Vocational education institutions' tuition is currently set by law subject to the approval of the Kansas Board of Regents. HB 2821 would allow the tuition rate per hour to be set by each institution's board.

HB 2821 would not have a fiscal effect on the state. A change in tuition would affect students and counties that pay out-district tuition. That fiscal effect for students and local governments is not available because it is not known how the tuition rates would change by institution boards.

Sincerely,

A handwritten signature in blue ink that reads "Duane A. Goossen".

Duane A. Goossen
Director of the Budget

House Higher Education Committee
Meeting Date: 2-13-02
Attachment No.: 3



KANSAS BOARD OF REGENTS

1000 SW JACKSON • SUITE 520 • TOPEKA, KS 66612-1368

TELEPHONE – 785-296-3421
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MEMORANDUM

February 13, 2002

To: The House Committee on Higher Education

From: Kim Wilcox
President and CEO

RE: Support for HB 2820 and HB 2821

Chairman Benlon and members of the committee, please accept this memorandum as an indication of support for HB 2820 and HB 2821. The Board supports these proposed changes for Technical Schools and Colleges, and sees them as important steps in the continuing process of coordinating higher education in Kansas.

HB 2820 amends current statute by providing that the state Board of Regents shall determine the equivalency of clock hours to credit hours of instruction, for the purpose of awarding credit toward the completion of coursework leading to an associate of applied science degree at a technical college. The bill repeals the current equivalency of 15 clock hours per credit hour of instruction in general education courses, or 30 clock hours per credit hour of instruction in vocational or technology education courses. The Board of Regents currently has this authority with respect to community college courses. This statutory change will give the Board equivalent authority for Technical School and College courses.

HB 2821 amends current statute by permitting local governing boards of technical schools and colleges to set tuition, without approval by the state Board of Regents, as is currently required by statute.

Under the current postsecondary aid formula, technical schools and colleges are entitled to receive state funding at the rate of 85% of the local cost per postsecondary enrollment hour. By this formula, tuition is made equal to 15% of the local cost per postsecondary enrollment hour. This bill would remove the language regarding the 15% cap and allow local school boards to set tuition.

Circumstances surrounding today's Board of Regents meeting prevent our attendance at today's hearing. I would be happy to respond to any questions the committee may have, in person, at a future committee meeting.

House Higher Education Committee
Meeting Date: 2-13-02
Attachment No.: 4