

MINUTES OF THE HOUSE HIGHER EDUCATION.

The meeting was called to order by Chairperson Lisa Benlon at 3:35 p.m. on April 8, 2002 in Room 231-N of the Capitol.

All members were present except: Mary Pilcher Cook (E)
Eber Phelps (E)
Jo Ann Pottorff (E)
Bill Reardon (E)
Lee Tafanelli (A)
Ralph Tanner (E)
Jonathan Wells (A)

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

Conferees appearing before the committee: Janice DeBauge, Kansas Board of Regents
Duane Dunn, President Manhattan Area Technical College
and President of the Kansas Association of
Technical Schools and Colleges (written)
Dr. Jerry Farley, President of Washburn University (written)

Others attending: See attached list.

SB 647 - Kansas higher education coordination act amendments

Chairperson Benlon opened the hearing on **SB 647**, and called upon Paul West, Legislative Research Department, to give an overview of the bill. He said that it recently came out of the Senate Education Committee and amends the Higher Education Coordination Act of 1999, more commonly known as SB 345, and specified that the Kansas Board of Regents would serve as the representative of the public post-secondary education system before the Governor and the Legislature as opposed to current law. Mr. West's overview followed the Supplemental Note on **SB 647**. (Attachment 1)

Representative Storm asked if the performance agreements and state funding are those detailing the provision that were in SB 345 or was that new. Mr. West responded that SB 345 had performance based bonuses that were permitted, but it wasn't that type and this was providing a little more incentive for individual institutions to cooperate with the Board. He added that it definitely gave the Board more authority over all in-state funds.

Representative Storm inquired if he knew what the reaction was of the technical and community colleges to this proposed legislation, and Mr. West replied that they had testified favorably towards the bill. The Committee questioned the reference made on page 1, lines 27-29, to redefining municipal universities, and Mr. West stated that was done as a compromise between the parties.

Janice DeBauge, member of the Kansas Board of Regents, and Chair of the Commission on Higher Education Coordination, testified as the first proponent on **SB 647**. She stated that the Board of Regents' 36 institutions, the Kansas Association of Community College Trustees, and the Kansas Association of Technical Schools and Colleges, in affirmation of that entity, were requesting the enactment of amendments which would build on the plan set forth by the Legislature in 1999. She said the plan aspired to greater accountability, efficiency, and collaboration within the higher education system in Kansas. Ms. DeBauge explained that over the years there had been several systems of higher education developed, each with its own set of policies, statutes, and regulations. She testified they were proposing that, in partnership with the Legislature and the 36 institutions, the Board of Regents would create an integrated,

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performance-based system that will serve to combine the state's already effective programs and institutions into a true system that creates and relies upon accountability and efficiency.

Ms. DeBauge stated that the Board of Regents and the 36 institutions had determined that their goals can best be accomplished by tying incremental state funding to performance agreements executed between local autonomous governing boards and the Board of Regents. She told the Committee that the Board of Regents was willing to be held accountable by the Legislature for the performance of the entire higher education system, which they presently are largely free of that responsibility, in that funding formulae were set in statute and were unrelated to institutional performance. She added the result was the Board had very little ability to enforce accountability for state tax dollars. Ms. DeBauge said that in order to create an integrated accountability system, they were requesting that future incremental funding be tied to performance and that both the institutions and the Board be held to performance standards. She also stated they would suggest that this change coincide with the implementation of the performance-based funding system in July 2004. Included with Ms. DeBauge's written testimony was a copy of an affirmation of these amendments signed by the representatives of the Kansas Board of Regents' 36 institutions, the Kansas Association of Community College Trustees, and the Kansas Association of Technical Schools and Colleges. (Attachment 2)

Representative Horst inquired about the reference on page 5 in regard to failure to enter a performance agreement would prevent a post-secondary educational institution from receiving any new state funds, and if the institution did not get the funding in relationship to a performance agreement that it was allocated in the following year. Ms. DeBauge responded that it was a compromise between the Board of Regents and Washburn University and was in regard to concern by some legislators about money being removed forever. Dr. Jerry Farley, President of Washburn University, explained the basic concept of providing funds as incentive to accomplish measures of accountability was something Washburn supported as well as all the other state institutions and 34 states around the country have adopted. He clarified that what was proposed regarded the incremental increase base budget funds, and if the base budget is adjusted in some year because no incremental increase was provided then it would have a dramatic impact over the long run for that institution. He added that there was never an opportunity for that institution to make up those based budget funds that have been lost. He gave examples of how the withholding of funds could greatly affect the operation of institutions.

Representative Horst stated she was concerned about not meeting the standards for two years in a row and still getting the funding, but also the complicated language of compromises within proposed legislation. She said she would work with staff to get a further clarification and understanding of the issue.

Representative Sloan expressed his uncertainty regarding the language whereas they get the funding later after they did not meet the performance standards. He stated he thought there should be a caveat or waiver if they subsequently achieve the performance standards; then the funding could be reinstated, but not until they meet the standards. Dr. Farley stated that he disagreed, and explained that in each year you could be at risk and if you did not meet that particular year's measures the institution would lose funds.

Representative Sloan referred to page 8, lines 4 and 5, where it talked about municipal universities for the second time in this proposed bill, and asked why this language was being changed. Mary Prewitt, General Counsel for the Kansas Board of Regents, responded that it was not a change in the language, but simply to make the rhetoric more applicable, and not to single out one particular university. She said it was true that under laws currently written the language refers to one municipal university in the system, but it's just a matter of the Courts wanting the wording in statutes to be the change in the language was intended to make the definition of municipal university more uniform with the other definitions.

Representative Lane referred Ms. DeBauge to her testimony regarding the amendments building on the plan set forth by the legislature in 1999 relating to greater accountability, efficiency, and collaboration. He requested clarification on these efficiencies and effectiveness and whether it translated into dollar savings. Ms. DeBauge explained briefly what the demands are in higher education across the nation, and that they were serving more students continuously along with the fluctuations in tuition between the various institutions.

Chairperson Benlon pointed out to Committee members that they had written testimony submitted in support of this bill by Dr. Duane Dunn, President, Manhattan Area Technical College, and also

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President of the Kansas Association of Technical Schools and Colleges. (Attachment 3)

The Chair asked Dr. Farley if he would like to make any comments in addition to his written testimony that he had submitted. Dr. Farley said Washburn University was very supportive to the proposed legislation as amended. He stated that the amendments were satisfactory to all parties, and they fully supported the concept of coordination and appreciated the efforts of the Kansas Board of Regents in making a coordinated system a reality. (Attachment 4)

Chairperson Benlon asked if there was anyone else present to speak as a proponent of **SB 647**, and there were none. She then inquired if there were any opponents present to speak in opposition to the bill, and seeing none she closed the hearing on **SB 647**.

The Chair opened the floor for Committee discussion on **SB 647**.

Representative Sloan referred the Committee to page 5, line 15, after the word "year" he thought consideration should be given to putting a comma and offer the concept if they subsequently achieve compliance with the performance agreement then they would get the money or, in the alternative, the Board would approve a waiver for just cause as otherwise the incentive is lost.

Representative McLeland stated that he would like to go further that if the institutions did not meet the goals this year or the following year then they do not get the money, and it is lost forever. He explained that he felt they would know after the first year where they needed to improve for the second year to get the money reinstated, but if after two years of not complying the money should not be allocated to them.

Representative Storm asked the Board if the performance objectives are set, was there a new set of goals every year, or was there a long-range goal with yearly milestones. Dr. Kim Wilcox, Executive Director of the Kansas State Board of Regents, responded by telling the Committee that the key piece of the proposed amendments was the time interval, and much of what the Committee members were asking was undefined so far. He said they had not had the opportunity to address those very questions. He stated that there were opportunities for some schools to possibly enter into a series of one year agreements, and other schools a half a multi-year agreement to fit their particular situation, there are opportunities for schools to think about and formulate their future which might be a little more dependable in a sense or stable, and others to look more creatively at the future. He said the next two years would give the Board of Regents a chance to have those discussions and to look at those collective differences in a way that it makes sense together. Dr. Wilcox told the Committee that they had not had those discussions in the past because there was no opportunity for moving in those directions.

Representative Storm asked Dr. Wilcox if the goals were suppose to be objective and measurable, and he responded in the affirmative. Dr. Wilcox explained that under SB 345 the Board was to craft performance indicators for every school, and then direct it to the campuses to craft institutional improvement plans with measurable goals and objectives in them. He said they had been at that process for over a year and a half now, and are well down the road in their discussion with the campuses. He explained what these amendments do allow the entire system to think not only about the funds, but also in terms of the conceptualization so that if it wasn't the case where all the institutions have to have the same kinds of indicators and may be more diverse, but at the same time are things that are clearly measurable and represent the breath of the institution. He stated that he felt it would not be in the best interest of the Board of Regents or the local governing board's interest to craft an agreement that wasn't fairly measurable because it would lead to confusion and other problems.

Representative Storm said she assumed there was more than one goal and there could be six for example, so determining whether or not the goals were met would be like saying 80% of the goals were met. Dr. Wilcox agreed and commented that one of the challenges they had under SB 345 was that it did not provide them with that amount of latitude in terms of degree of completion.

Dr. Wilcox wanted to comment on the funding issues brought up earlier, and shared with the Committee that it had been a point of much discussion over the past several months plus it was one of the key pieces of discussion during the Senate debates. He said the Senate Education Committee particularly spend a lot of time discussing the very same questions that Representative Horst and Sloan are offering. He continued that from that debate there was an agreement that the kinds of incentives that were included

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here were not as far reaching as Representative McLeland would suggest, but were none the less sufficient enough to move the system and provide the institutions with stability while at the same time provide the Board of Regents with some instrumentality. He stated it seemed to him that these amendments provided an opportunity in the next two years for all of us to collectively think about that balance of stability versus instrumentality on a state-wide perspective as well as the details of what these agreements might look like. He clarified that he certainly does not dismiss the unease of the institutions to endorse this plan given the amount of unknowns we have in play right now. He reiterated that he believed this would move the state clearly in the right direction.

Representative Storm communicated to the Committee members that they did not have any idea what these standards looked like or how specific they would be, but surely in the first year they were not necessarily linked to money but over time if not receiving that money instead of a \$1 million it becomes \$2 million, etc. She continued that they are still working on these performance standards and at some point we have reduced the possibility that they will ever meet the goal if the funding is withdrawn year after year. She said she did not know where that line was, but thought it was something the Committee should think about.

Representative Horst asked when it was anticipated that the idea of the standards would be solidified that you can bring them to us and tell us what they are, and she had not seen any of them and did not know what they were. She expressed her concern of putting things in the statutes that didn't exist yet. Dr. Wilcox replied that with the passage of these amendment, they would begin working earnestly on all of these aspects right a way and particularly the performance agreements in hopes that they could include them in the budget formulation in the spring of 2003 for fiscal year 2004. He said it would be difficult for any other parties, the Board of Regents or the local boards, to craft these performance agreements not knowing what the full range of consequences were. Dr. Wilcox explained that for instance to develop the performance agreements assuming the kinds of incentives that are incorporated in the present set of amendments would be one thing, but then to have Representative McLeland's interpretation would be quite different after the fact. He stated he thought it was very important that the institutions and the Board have some clarity as to both the risk and stability factors of those two perimeters to define the enterprise so we can get this going in the right direction.

Representative Horst recounted that they needed this language so the individual institutions could begin to move forward with the Board in developing the standards that they intend to meet, and the quality of those standards may be driven by what there risks were. Dr. Wilcox stated that it only made sense that in the current SB 345 funding plan where there is a 2% bonus possible bonus, institutions would probably think differently about that reality than in one where their base dollars were. He said you might argue one allows you to take more risk than the other, but one also encourages you to think more central in your descriptive missions then the other and craft things in a way that really moves you for a long term.

Representative Sloan again stated his uncertainty with the regard to there being no true consequence for not meeting the performance standards because they will get the money any way.

Representative Horst expressed her concern with the municipal universities wording, and asked if there was a definition some place in the statutes for municipal university. She said if there was such a definition in the statutes she thought it would be better to use it than to elude to the fact that more municipal universities were going to be developed.

Chairperson Benlon asked Dr. Wilcox if there were any plans in the future to start any new municipal universities, and he replied that there were none that had been shared with him.

Jim Wilson, Revisor, said there were a set of statutes under which Washburn University was created, and explained the use of a plural as set out by statute. He explained it was a matter of drafting policy to a certain extent, and didn't think there was any legal difference as to whether it would hurt or not. Washburn University is the only one allowed by statute to be a municipal university.

Chairperson Benlon asked if anyone had any suggestions for amendments that they would feel more comfortable with. Representative Sloan made a motion to amend line 15 on page 5, after fiscal year it be added if they subsequently achieve the performance agreement or the Board of Regents approves a waiver covering that institution. The motion was seconded by Representative Horst.

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The Chair opened the floor for Committee discussion on the motion. Representative Kuether stated she did not support the amendment because it was two years down the road and they would have time to look at it again.

Committee discussion continued. Representative Horst said she would rather err on the side of having more description so there are realistic goals that are set instead of unrealistic. She stated she agreed that it is extremely open and broad, and thinks it was great that they were moving in this direction. She told the Committee she was not even sure they needed to have a whole lot of language covering is, but it appears they do so she was going to support it. She directed the Committee's attention to page 4, line 37, where it said "Commencing on July 1, 2005", so this was not intended to be implemented until 2005. She said it would be revisited later from another point of view if indeed the amendment does go on and if we determine in a year or two this is an impediment then it would be better to remove the impediment rather than put a new one in its place. She would rather be stricter at the beginning and then loosen up then have to come back and say we were too broad.

Representative Gordon commented that she preferred to stay more open until we know what we are doing because it is a lot easier to put a rule in place rather than have to take it off.

Chairperson Benlon called for a vote on Representative motion to amend. The vote being four (4) in favor and five (5) against the motion to amend, the motion failed.

Representative Horst made a motion to amend page 1, line 27 and 29, that municipal university be a definition of a municipal university that is presently in the statutes that established Washburn University, and that on page 8, line 5, that universities be changed to read university. The motion was seconded by Representative Sloan.

The Chair called for Committee discussion or comments. Representative Krehbiel said he could not see the point of changing the definition, and would not support the amendment.

Representative Horst closed on her motion by explaining that she made the motion in accordance with the definition of municipal university, and could see no purpose in saying universities when there was only one municipal university which was established by statute.

Chairperson Benlon called for the vote which was four (4) voting in favor of the amendment, five (5) voting in opposition to the amendment, and the motion to amend failed.

Representative Kuether made a motion to pass out SB 647 favorably, and seconded by Representative Storm. The motion carried.

Chairperson Benlon adjourned the meeting at 5:10 p.m.

SESSION OF 2002

SUPPLEMENTAL NOTE ON SENATE BILL NO. 647

As Amended by Senate Committee on
Education

Brief*

SB 647, as amended by the Senate Education Committee, amends the Higher Education Coordination Act. The main provisions are described below.

State Board of Regents—Representative of the Public Postsecondary Education System. The bill specifies that the State Board of Regents will serve as the representative of the public postsecondary education system before the Governor and the Legislature. (Under current law, the State Board of Regents is assigned the role of advocating for adequate resources and sufficient authority to enable postsecondary institutions to achieve their missions.)

Planning for Postsecondary Education. An amendment clarifies that the State Board of Regents will provide statewide planning for higher education. (This responsibility is implied in the current law, but is not specifically stated.) In the context of the State Board's responsibility to determine postsecondary institutions roles and review institutional missions and goals, the bill directs that this responsibility is executed by taking into account both institutional needs and the needs of the state's system of higher education as a whole.

Plan for Coordination of Postsecondary Education Program Offerings. The State Board of Regents is directed to develop and implement, in conjunction with the postsecondary educational institutions, a comprehensive plan for coordinating all program offerings by postsecondary educational institutions.

Unified Budget for Postsecondary Education Institutions. The State Board of Regents is directed to develop a unified budget for

*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.kslegislature.org/cgi-bin/fulltext/bills.cgi>

state funding of postsecondary educational institutions, present that budget to the Governor and the Legislature each year, and receive and allocate the state funds appropriated for funding of postsecondary educational institutions in accord with legislative directives, except for allocations based on institutional performance allocations. (This replaces the current law which directs the State Board to approve for state funding purposes educational programs, courses of instruction, and out-district program and course locations and to review budget and state funding requests of postsecondary educational institutions in order to present a unified budget for higher education.)

Postsecondary Institution Improvement Plans—Performance Agreements and State Funding. Beginning July 1, 2004, the State Board is authorized to review and approve institutional improvement plans, and, on the basis of each plan, develop and implement a performance agreement with each postsecondary educational institution. These performance agreements must incorporate the goals, priorities, policies, and mission objectives identified in the institutional improvement plans, and the performance measures, which will be used to demonstrate compliance and progress.

Beginning July 1, 2005, each postsecondary educational institution's receipt of new state funds is contingent on achieving compliance with its performance agreement. "New state funds" means that amount of state funds by which the amount received by a postsecondary educational institution for a fiscal year exceeds the amount received by that postsecondary educational institution for the preceding fiscal year. The State Board will determine the amount of new state funds to be received by each postsecondary educational institution, taking into account the institution's level of compliance with its performance agreement and the funds available for distribution. New state funds received by a postsecondary educational institution pursuant to a performance agreement are used for the purposes of determining new state funds for the postsecondary educational institution under a performance agreement for the ensuing fiscal year. If a postsecondary educational institution does not receive new state funds in a particular fiscal year due to a failure to meet the goals in the performance agreement, the lost funds would be considered as part of the base budget in determining state funding allocations in future fiscal years.

Failure of a postsecondary educational institution to enter a performance agreement with the State Board prevents the institution from receiving any new state funds. Any funds designated by the

Legislature for a specific postsecondary educational institution or purpose are exempt from these provisions.

State Board of Regents' actions under these provisions override the operating grants schedule applicable to community colleges and Washburn University.

State Board of Regents—Commissions

On June 30, 2003, the statutory provisions which create from among the State Board of Regents' membership the Commission for Community Colleges and Vocational/Technical Education, Commission for Public Universities, and Commission on Higher Education Coordination expire. The State Board of Regents would have the authority to establish any committees, commissions, advisory councils, or other groups as it shall deem necessary.

Background

The bill was introduced at the request of the State Board of Regents. Conferees testifying in support of the bill included representatives of the State Board of Regents, the state universities, and the Kansas Association of Community College Trustees. Conferees providing testimony in opposition to the bill, as introduced, included former Senator Tim Emert, Senator David Jackson, 11 members of the Shawnee County Delegation, representatives of Washburn University, and the Kansas Independent College Association.

The Senate Education Committee adopted amendments to SB 647 submitted as compromise language from the State Board of Regents and Washburn University. The Senate Committee also deletes from the bill a provision which would exempt State Board of Regents actions relating to execution of the Board's planning coordination and finalizing functions with respect to any postsecondary educational institution from the provisions of the Rules and Regulations Filing Act.

The fiscal note submitted by the Division of the Budget on the bill as introduced indicates that the bill could be implemented within existing state funding.



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Testimony in support of S.B. 647
House Higher Education Committee

April 8, 2002

Janice DeBauge
Member of the Kansas Board of Regents
and
Chair of Commission on Higher Education Coordination

Chairman Benlon and members of the House Higher Education Committee—With the implementation of the Higher Education Coordination Act of 1999, the legislature directed the Kansas Board of Regents to create a system of 36 institutions. I am happy to represent that system before you today. In the intervening three years, thousands of hours by numerous public servants have created a vital and active entity. The Board of Regents 36 institutions, the Kansas Association of Community College Trustees, and the Kansas Association of Technical Schools and Colleges, in affirmation of that entity, request the enactment of amendments to enacting legislation that would move the new Kansas system of post-secondary education from infancy to greater maturity.

The amendments build on the plan set forth by the legislature in 1999. At its most basic, that plan aspired to greater **accountability, efficiency, and collaboration** within the higher education system in Kansas. I can report to you that Kansans should feel proud of the efficiency and effectiveness of their higher education institutions; but we all recognize that more can be done. The question that is before you today is will we achieve even greater success?

Over a period of more than 100 years, Kansas nurtured its higher education programs. Unfortunately, however, those programs were developed in isolation and not as complementary parts of a whole. As a result, we developed **several** systems of higher education, each with its own set of policies, statutes, and regulations. We could choose to continue as in the past and address the differences among these systems independently, but that would not be consistent with your vision of 1999. Instead, we are proposing that, in partnership with the legislature and the 36 institutions, the Board of Regents create an integrated, performance-based system that will serve to combine our already effective programs and institutions into a true system that creates and relies upon accountability and efficiency.

Prior to 1999, there was significant collaboration within higher education throughout the state. Now, that collaboration is much broader, more cohesive, and complete. The CEOs and

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other leaders of the community colleges and technical colleges as well as trustees from those institutions have attended every meeting of the Board of Regents. That has led to a deeper level of understanding and appreciation of mission and purpose among the partners. Just as we have learned about the challenges of effecting local goals, the institutions have seen the challenges we face in addressing statewide issues.

Recently, an independent consultant confirmed what we had already observed: for Kansas to move ahead we must place greater emphasis on accountability throughout the system. The Board of Regents and the 36 institutions have determined that these goals can best be accomplished by tying incremental state funding to performance agreements executed between local autonomous governing boards and the Board of Regents. Recent studies confirm that performance agreements such as those in the proposed amendments create significant efficiencies and result in greater focus on core missions and the needs of students. The 36 institutions represented here today are committed to maximizing state taxpayer dollars, and are asking that they be held accountable for their efforts in reaching that goal. They understand that institutions must collaborate and compromise in order to thrive in the 21st century. They understand that their missions can be supported and enhanced by complementary activity.

Local priorities are very important, and the state and local interests should complement each other—Similarly, the Board of Regents is willing to be held accountable by the legislature for the performance of the entire higher education system. Presently, the Board is largely free of that responsibility, in that the funding formulae are set in statute and are unrelated to institutional performance. As a result, the Board has very little ability to enforce accountability for state tax dollars. To create an integrated accountability system, we are requesting that future incremental funding be tied to performance and that both the institutions and the Board be held to performance standards. While this is a relatively small change in terms of dollars (only the annual increases in state funding) it is significant in terms of the ability to achieve state goals.

The amendments also sunset the commission structure that was implemented in July of 1999. The Commissions have fulfilled their initial purpose of providing a forum and focus for sector-specific issues, but the Board is increasingly experiencing their divisiveness and their role in maintaining isolated, rather than, integrated discussions among different types of institutions. We would ask that the Board be allowed to organize itself in ways that best fit our responsibilities and resources. Further, we would suggest that this change coincide with the implementation of the performance-based funding system in July, 2004. This will allow the Board and its institutional partners two full years to create new decision-making structures and policies.

In summary, the Kansas Board of Regents, 36 public institutions, KATSC and KACCT request the committee's endorsement of these amendments. Your support of these amendments is support for: increased accountability, increased effectiveness, increased service to the students of Kansas, and an endorsement of the need for a truly coordinated higher education system Kansas. It is also an affirmation of three years of commitment to the greater good of Kansas higher education that has been exhibited by these 35 institutions and their governing boards. Please help us bring to fruition the vision that you created on July 1, 1999.



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February 18, 2002

As the next step in developing the Kansas system of higher education, we endorse the attached amendments to the Higher Education Coordination Act of 1999.

Clay Blair
Chairman
Kansas Board of Regents

Kim Wilcox
President and CEO
Kansas Board of Regents

Kay Schallenkamp
President, Emporia State University
Chair, State University Council of Presidents

Jackie Vietti
President, Butler County Community College
Chair, Community College Council of Presidents

Duane Dunn
President, Manhattan Area Technical College
President, Kansas Assn of Technical Schools
and Colleges

Sheila Frahm
Executive Director
Kansas Association of Community
College Trustees

Kansas Association of Technical Schools & Colleges

April 8, 2002

TO: House Higher Education Committee

FROM: Duane M. Dunn, Ed.D., President, Manhattan Area Technical College,
Manhattan, KS; President of the Kansas Association of Technical Schools and Colleges

Dear Chairman Benlon and Members of the Committee:

Please accept this as written testimony in support of SB 647. The bill relates to modifications to the Higher Education Coordination act (SB345) so my comments reflect the impact of those modifications on the technical schools and technical colleges. Our association is comprised of 16 individual institutions, all with unique programs of instruction, diverse student populations, diverse governance models, and diverse community and service areas. The association is comprised of 6 Community College/Area Vocational Schools; 6 Technical Colleges that grant diplomas and associate of applied science degrees, and 4 Technical Schools that grant diplomas. All of our institutions are involved in short term customized training for business and industry and we all provide, at different levels of scope, technical education for secondary students. We have a strong tradition of high placement rates of our graduates, and we are proud of the career opportunities that enable our graduates to secure financial independence. Our institutions, for the most part, have been in existence for over 35 years and we have been able to achieve significant success with minimal increases in state fiscal support and little or no direct local tax support. When SB345 was passed, we hoped that the new arena of higher education would strengthen our ability to serve the state in technical education and workforce development initiatives. We felt this would be an opportunity for our institutions to gain philosophical support and recognition of the potential waiting to be capitalized upon for a strong Kansas economy. While we had enjoyed the assistance of the Kansas State Board of Education members and staff, we felt that the move to the Board of Regents would enable a greater amount of focus on our institutions as post-secondary schools and colleges. Certainly we were greatly disappointed that fiscal incentives included in SB345 did not include funding enhancements for our institutions; however, we agreed to the concept of the bill and hoped that over time recognition of our needs would garner support and fiscal opportunities for growth would follow.

The coordination with the Board of Regents has been in effect for three years. I can honestly say that our institutions are, for the most part, glad the transition has occurred. We certainly feel a greater connection with the Board members and Regent staff. We feel the Board has provided avenues of communication for us, and the Board and staff visit our campuses and are aware of our unique nature. We feel the efforts to achieve some level of similarity among all higher learning processes has improved the relationships between our institutions and the other institutions within the realm of

Regent coordination. In essence we feel the intent of SB345 to increase coordination has been effective. We remain disappointed that funding has not followed the concept.

The Board of Regents has requested our input in the development of the modifications to SB345, now provided as SB 647. Regent staff members have met with our association, and I have presented our concerns and recommendations to the Board commissions and the Board as whole. The effort they have provided in obtaining input is worthy of your attention and we appreciate the opportunity to be involved in the process.

I would like to address the key components that directly impact the technical schools and colleges.

- Section 2 – We support the concept of accountability and the connection with review of role and mission. As institutions coordinated by the Regents we feel the role of the Board is in the review of our mission but the ultimate authority lies within the responsibility of our individual governing boards. We support the role of the Regents in the process of studying the efficiency and effectiveness of program delivery and offerings. As technology increases in specialization and industry requires more uniformity in the qualifications of technicians it is important that model programs are available. We realize that society is more transient than when our institutions were established nearly 35 years ago, and therefore there is recognition that duplication of programs may not be necessary or efficient. We also recognize that full coordination among all sectors of higher education will provide increased avenues to educational and employment success for the students.
- Section 3 – We support efforts to increase performance based funding mechanisms. The establishment of performance based improvement plans is a critical aspect of this bill and one in which we have expressed our concerns to the Board. The critical aspect of this section lies mostly in the policy and procedures established by the Board and we feel confident that our interaction with them and the input we provide will be utilized in the design of those procedures. We recognize that different sectors will have different plans, however, it is the Board's responsibility to establish fair, achievable guidelines for the development of the performance plans. It is also critical that performance funding be managed as an incentive program for institutional advancement and achievement. We have asked that the Board to include in the policy and procedures a method to insure that performance based funds are not an "all or nothing" scenario. It is imperative that the concept of initiative for advancement be maintained, thus allowing institutions to increase funds for achieving at least a part of their improvement plan.
- Sections 4, 5, 6, and 7 – Our association has expressed concern with the concept of eliminating the commission structure within the Board. We feel the current model has provided us with an avenue of communication and feel that members of the community colleges and vocational/technical education have been able to focus their responsibilities on the issues facing our institutions. However, we also recognize the cumbersome aspects of the administration of multiple commissions, the inability of a Board member to separate the time management from

commission to full board agendas, and the evident interest in all members to increase knowledge and awareness of our issues. We have provided our concerns to the Board and they have indicated an understanding of those concerns. Just as we feel it is important to manage and operate our institutions in the most efficient and effective manner, we support the Boards request to operate and manage their agency in the most effective and efficient manner. We are admittedly placing a great deal of trust in the Board members to maintain the current level of communication, advocacy, and involvement in technical education that has been evident through the current commission structure.

We feel the intent of SB345 to improve the coordination of higher education in Kansas has succeeded. We believe the Board continues to make strides toward addressing the complex issues of multiple institutional missions, multiple organizational structures, multiple student population bases, and certainly multiple levels of experience among faculty and administrators of the various sectors under the Board's coordination. We feel we have gained an advocate through this process. We support the Board's efforts to maximize efficiency and allow for performance incentives. We continue to hope for the establishment of a funding mechanism that would allow our institutions the avenue for achieving our potential.

Sincerely,

Duane Dunn



WASHBURN UNIVERSITY

Office of the President

April 4, 2002

House Committee on Higher Education

Madam Chairperson, Members of the Committee:

I am writing to request your support of Senate Bill 647 as amended by the Senate Committee on Education and passed by the Senate 40-0 on April 3, 2002.

The Washburn University Board of Regents had concerns over the bill as originally introduced. However, the Washburn Board and the Kansas Board of Regents were able to negotiate their differences and agree on the amendments to Senate Bill 647 which were adopted by the Kansas Senate. These amendments are satisfactory to all parties and we request the Committee's favorable consideration of this legislation without further amendment.

This bill will continue the successful implementation of Senate Bill 345, the Higher Education Coordination Act. We know there will be other issues to come before this Committee in the future and we hope we will be able to approach them in the spirit of compromise and unanimity represented in the current version of SB 647.

We fully support the concept of coordination and applaud the efforts of the Kansas Board of Regents to make a coordinated system a reality. We appreciate their willingness to address our concerns and look forward to being a member of the team working to improve all of our institutions.

Sincerely,

Jerry B. Farley
President

cc: Shawnee County Legislative Delegation

House Higher Education Committee
Meeting Date: 4
Attachment No.: 1