

MINUTES OF THE SENATE EDUCATION COMMITTEE.

The meeting was called to order by Chairperson Senator Dwayne Umbarger at 1:35 p.m. on February 10, 2003 in Room 123-S of the Capitol.

All members were present except: Senator Teichman (excused)

Committee staff present: Kathie Sparks, Legislative Research
Judy Steinlicht, Secretary

Conferees appearing before the committee: Kathie Sparks, Legislative Research
Reginald Robinson, President & CEO, Kansas Board of Regents
Dr. Duane M. Dunn, President of the Kansas Association of Technical Schools and Colleges
Dr. Lee V. Alderman, President, Flint Hills Technical College
Connie Dietz, Board Member, Wichita Public Schools

Others attending: See attached list

SB7-Technical Colleges Governance

Kathie Sparks, Legislative Research gave a brief description of **SB7**. The legislation requires that technical colleges that are currently governed by a school district would have to appoint an independent board of control and the bill lays out how that board is to be selected and also requires by July 1, 2005, that all technical colleges have an independent governing board. The change would allow technical colleges to be accredited by the North Central Association's Higher Learning Commission. (NCA-HLC)

Reggie Robinson, President and CEO of the Kansas Board of Regents spoke as a proponent of **SB7**. Mr. Robinson explained that there are three types of governance models in place currently for the state's technical schools or colleges. The Board of Regents commissioned the Northwest Education Research Center to study governance issues in the state's system of postsecondary education. Among the recommendations that came from this study, the Board of Regents decided to introduce legislation that would require the governance for each of the state's technical colleges to be vested in an entity that is independent of a local unified school district board; and the Board established policy which requires that by 2009, each of the state's postsecondary degree-granting institutions achieve and retain accreditation from the NCA-HLC. Candidacy status must be obtained by 2006. The Board believes that the college boards that have the work of those colleges as their primary focus should govern colleges and the Board believes that this legislation is vitally important if the state of Kansas is to fully achieve the vision that was at the core of the Higher Education Coordination Act. (Attachment 1)

Dr. Duane M. Dunn, President of the Kansas Association of Technical Schools and Colleges spoke as a proponent of **SB7** stating that their association endorses the concept of **SB7** and supports the Board of Regents in their request for passage of the bill. Dr. Dunn listed items in the bill that they believe need to be clarified as the bill is discussed and which may need to be included in the statutory language. The Association supports legislation that would allow Type 1 technical colleges to form a governance structure appropriate for higher education. They believe **SB7**, with clarification, would provide that opportunity and allow institutions the potential to meet the local, area, and statewide workforce and employment enhancement needs essential for economic vitality. (Attachment 2)

Dr. Lee Alderman, President, Flint Hills Technical College spoke in support of **SB7** stating that passage of this bill would allow implementation of a more seamless system of higher education that would provide widespread benefits to many Kansans. Dr. Alderman encouraged consideration of giving local levy authority to technical colleges once they become autonomous in light of the budget conditions. They may

CONTINUATION SHEET

MINUTES OF THE SENATE EDUCATION COMMITTEE at 1:35 p.m. on February 10, 2003 in Room 123-S of the Capitol.

need support from local tax or levy authority to finance the programs needed to provide highly skilled workers to business and industry. (Attachment 3)

Connie Dietz, Wichita Public Schools spoke as an opponent of **SB7**. The Wichita Board of Education is on record opposing any change in the current system of governance. The Wichita Board appointed a task force of community and district personnel to examine the issues involved with a change of governance. The executive summary of the report is attached to the testimony and the Wichita Board will review and deliberate on the report during their next two February meetings. They encourage the Education Committee to press the Board of Regents for conclusive answers to the questions found within the task force's 56-page document, prior to any further consideration of **SB7**. (Attachment 4)

Discussion followed each of the testimonies as time allowed.

Meeting was adjourned at 2:35 p.m. The next meeting is scheduled for February 11, 2003 at 1:30 p.m. in Room 123-S.

SENATE EDUCATION COMMITTEE GUEST LIST

DATE - 2/10/03

<u>NAME</u>	<u>REPRESENTING</u>
Kim Clark	K-ACTE
Megan Maxwell	K-ACTE
Jim Armstrong	K-ACTE
Robert Gibbens	K-ACTE
Harmey Olson	KSDE
Bob Osborn	KBOR
Ron and Patty Dover	Contributors of Sen. Votil.
Arnolds Goltbeck	KBOR
Robert Masten	KBOR
SLPTO	AGC of KS
Mike Oert	Pinegar - Smith & Assoc
Row Sullivan	W.A.T.C.
Yvonne Kluge	WATE (Wichita Tech)
Connie Ditz	USD 259
Roger Buchanan	K-ACTE
Sam J. Heinen	K-ACTE
Sandra Dillon	K-ACTE
Kelly DeLaTorre	K-ACTE
Lee Alderman	Flint Hills Tech College
Jacob Lauer	K-ACTE
Brenda Morgan	K-ACTE
Carolyn D. Moon	Rushon Elementary, PTA, Missioi, KS
Karen Anderson	Rushon Elementary, PTA, Missioi, KS



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Testimony Regarding Technical College Governance Legislation (SB 7) Senate Education Committee

February 10, 2003

Reginald L. Robinson
President & CEO, Kansas Board of Regents

Good Afternoon, Chairman Umbarger and members of the Committee, I am pleased to have this opportunity to appear before you today. My name is Reggie Robinson. I am President and CEO of the Kansas Board of Regents, and I am here today to speak in support of SB 7 – An Act Concerning the Governance of Technical Colleges.

Background

Currently, there are three types of governance models in place for the state's technical schools or colleges. Under one model, the technical institution is a component of a community college, and therefore governed by the applicable community college board of trustees. Six technical schools operate under this governance mode. Under a second construct, the technical institution is a component of a K-12 unified school district, and governed by the applicable USD board of education. Eight technical institutions operate under this model. Of those eight, four are technical colleges. Finally, there are two technical colleges that operate under a third model. These institutions have relationships with more than one USD school board, and they are governed by "boards of control," with representatives from each of the participating school districts.

In 2001, the Board of Regents, with the support of the Kansas Health Foundation, commissioned the Northwest Education Research Center (NORED) to undertake a study of governance issues confronting the state's system of postsecondary education. This study encompassed all sectors in the state's system, including the technical education sector. Among the recommendations to come from the NORED study was a suggestion that independent governing boards govern the state's technical colleges. Since that study was completed, the Board of Regents has continued to consider how best to treat the NORED technical college governance recommendation. As it has considered that issue, Board members and staff have held numerous meetings with technical institutional leaders and affected unified school district leaders to discuss these issues.

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In December 2002, the Board of Regents made two decisions that lead us to this point where we have the opportunity to discuss the legislation before you. First, as is clear, the Board decided to seek the introduction of legislation that would require that governance for each of the state's technical colleges be vested in an entity that is independent of a local unified school district board. Second, the Board established policy which requires that by 2009, each of the state's postsecondary degree-granting institutions achieve and retain accreditation from the North Central Association's Higher Learning Commission (NCA-HLC). (Candidacy status must be obtained by 2006.) This policy decision is a crucial one for the Board and also explains why the specific legislation we consider today is so vitally important. So, let me touch on the accreditation policy briefly before moving more directly to the governance legislation.

NCA-HLC Accreditation

When the legislature enacted the Higher Education Coordination Act, the concept of "seamlessness" was, it seems to me, a fundamental aim of that landmark legislation. But what does "seamlessness" mean, and from what perspective are we to assess whether that aim has been achieved? Now, Mr. Chairman, I've not been in my present role very long, but it seems to me that one way that we could assess whether we have achieved the construction of a seamless system is by thinking about that system from the perspective of students whose dreams and aspirations require that they negotiate that system. Further, it seems to me that from that perspective, one of the key issues is transfer of credit.

Imagine with me if you will, a young person who enrolls in one of our technical colleges, takes advantage of the outstanding education available for her there, does well, and then finds a place for herself in the workforce. Imagine further that she succeeds quite well in her work, but reaches a point in her career where additional education becomes necessary for continued advancement. As she moves to pursue that education at one of the state's community colleges or state universities, she learns, however, that the college credit she earned during her technical college studies will not transfer. This is not "seamlessness." This is a problem, a problem that is a key aspect of what the Board's new accreditation policy seeks to address.

You may wonder how will NCA-HLC accreditation affect the situation for our imaginary student. Most significantly, such accreditation opens the door for the state's technical colleges to engage in meaningful dialogue with community colleges and the state's universities about effective transfer of credit agreements on a broad scale. The state's community colleges and universities are already subject to NCA-HLC accreditation. If technical colleges also achieve that status, the prospects for such transfer of credit agreements should be significantly enhanced. Now let me be clear, technical college NCA-HLC accreditation will not guarantee this result. It is a necessary, but not sufficient step.

In addition to enhancing the prospects for transfer of credit agreements between the technical colleges and other institutions, the Board's newly adopted policy gives rise to other benefits as well. Most significantly, this policy places all of the state's degree granting public institutions under the same accrediting body, which enhances the development of a seamless system for the benefit of students like the imaginary one I described above. Finally, such accreditation provides assurances that all Regents institutions are meeting the same high standards of institutional

quality. We believe that this policy is important, and that it can be effectively implemented in a manner that does not move the state's technical colleges away from their very important technical education missions.

Independent Governing Boards

If one accepts, as we do, that NCA-HLC accreditation would represent an important and positive step for the state's technical institutions, the system as a whole, and, most importantly, the people of Kansas for whom these institutions exist, then one will be lead, inescapably, I believe, to the conclusion that technical colleges must be governed by independent boards. This is the case because the effectiveness of an individual institution's governance structure is a key component for any accrediting body. For NCA-HLC, the independence of that governance structure is particularly critical. Fundamentally, that is why the Board of Regents has proposed this legislation for your consideration.

SB 7

Under the legislation that has been proposed, each of the state's technical colleges (postsecondary degree-granting institutions) will be required to develop and present to the Board of Regents for approval, a plan to replace their current governing bodies with a new governing board that must be separate and independent of any board of education of any school district. The proposed statute goes on to describe a number of items that much be addressed in the plan submitted for Board approval pursuant to this legislation.

One very important point I would stress. This is not an effort by the Board of Regents to impose a one-size-fits-all governing board structure on each of the state's technical colleges. Instead, the Board has made an important policy determination aimed at enhancing the functioning of the state's higher education system, and then crafted a proposal that empowers local leaders to determine what, within that policy structure, makes the most sense for their local conditions.

Conclusion

I really want to thank the Committee for its time, and, in summary, would like to touch on three quick final points.

First, a word about the role that local USD school boards have played. It is clear that the Board of Regents believes that college boards that have the work of those colleges as their primary focus should govern colleges. However, this Committee should not read the Board of Regents' decision to propose this legislation as intended in any way to be critical or disparaging of the role that the state's school districts have played in this arena. Local school boards have supported and nurtured the development of the state's technical institutions. We recognize that school district leadership has been crucial for these vitally important institutions. The state ought to be grateful for the role that local school boards have played. We simply believe that given the course charted by the Higher Education Coordination Act, the legislation we propose constitutes the best next step as those institutions continue to develop as a part of the state's postsecondary education system.

Second, the Board of Regents recognizes that the practical work of "disentanglement" that will be necessary as a result of this legislation could be difficult. I pledge to this Committee that the Board and its staff will approach the implementation of this legislation in a reasonable and flexible fashion that is sensitive to the complexities involved. These issues are difficult, but they are surmountable.

Finally, change is never easy, particularly if the changes are meaningful and intended to chart a new course. The Board of Regents believes that this legislation is vitally important if the state of Kansas is to fully achieve the powerful vision that was at the core of the Higher Education Coordination Act.

Again, I thank you, Mr. Chairman, and the Committee for your time and attention to these issues, and look forward to any questions that you may have. Thank You.

Testimony presented to the Senate Education Committee
Senator Dwayne Umbarger, Chair

Duane M. Dunn, Ed.D., President of the Kansas Association of Technical Schools and Colleges
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Chairman Umbarger, members of the committee. I am here today representing the 16 institutions that are members of the Kansas Association of Technical Schools and Colleges. It is a privilege to represent these institutions as you enter the discussion on Senate Bill 7. This bill is a critical component in the future direction for technical colleges in Kansas. I hope to provide you with an understanding of the current organizational structure of our member institutions and the potential impact of the passage of this bill.

I have attached a brief timeline relative to the organizational structures of our schools and colleges. As is evident there have been some modifications throughout the past 40 years of operation. The original statutory authorization for the establishment of area vocational schools and area vocational technical schools was founded on the need to address the workforce development and economic development issues of the nation. Baby boomers were entering the job market at a growing rate and many of these individuals did not have the means to attend a university nor the skills needed to enter the workforce. The 1963 Federal Vocational Education Act provided state impetus to establish area centers for vocational education. Subsequent Kansas legislation then provided an economic incentive for area schools to be established. Those schools were designated as either Type I (area vocational schools) or Type II (area vocational technical schools). The essential difference between a Type I and a Type II institution is the governance structure – Type I have a single Unified School District governing body while Type II schools had governing bodies composed of a consortium of school districts. (Those area vocational schools that were established as a component of a community college are defined as Type I institutions.) As is evident, the organizational structure of our institutions has been modified since the establishment – those modifications have been the result of Kansas statutory changes in funding or the result of local need. The central mission of our institutions has remained the same – providing career and technical education classes and programs to individuals in order to meet their goals of enhanced employment and advancement. This is a very concise, very directed mission that is indicative of each institution regardless of their governing body or their student demographics.

SB7 is the latest indicator on the timeline as a distinctive item of legislation that would modify the organizational structure of our institutions. Again, the impetus for this change is due to statutory changes and local needs. The statutory change is relative to SB345 as

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that bill moved the coordination of technical schools and colleges from the Kansas State Board of Education to the Kansas Board of Regents. Local needs include the desire of institutions to meet the higher education expectations of the community and our students. A significant initiative placed upon the Board of Regents is the state's desire to provide a system of seamless higher education. The Regents, as a method of addressing this initiative, recently adopted a policy requiring all degree granting institutions to hold accreditation with the Higher Learning Commission of the North Central Association of Schools and Colleges (HLC). Currently there is one technical college accredited by HLC and one college that has achieved candidacy for accreditation. The concept of requiring the same accreditation standard is to ease the transfer and articulation of coursework among Regent governed and coordinated institutions. However, a major factor criterion of HLC is the issue of institutional governance. HLC expects the governing body of an institution to have a sole function of advocacy and responsibility for policies, mission, etc. of a degree granting institution. HLC staff has indicated there is concern that USD Boards of Education have broad based responsibilities that may hinder its ability to focus on the direction of the technical college. This concern has been primarily directed toward the Type I technical colleges as they are governed by a single USD Board of Education. An area board comprised of representatives from their "sending" school districts governs the Type II technical colleges. In an effort to resolve this dilemma and to address the interests of our colleges to function in the higher education arena we have sought the support of the Kansas Board of Regents in addressing our needs. We are appreciative of their recommendation for SB7 and support their efforts.

As I address specifics of SB7 I do feel it necessary to provide some distinctions that are relative to the governance issue. This bill applies only to those institutions that have been statutorily authorized and designated to function as technical colleges – associate of applied sciences degree granting colleges. There is no desire from our members to force governance change upon the technical schools (non-degree granting schools). We do not support mandatory change of any institution from a school to a college. We believe the decision of whether an institution should convert from a school to a college should remain a local initiative and the institutions should be allowed to operate in a manner best suited to their local and area community needs. I feel the timeline is indicative of the ability of the individual communities to determine the need for an institution to become a technical college. Our association supports the recognition that there is value and a necessity for all levels of technical education – whether that level is a short-term certificate course, a diploma, or an associate of applied science degree. The length of time for instruction and the award recognition is valuable to the individual and it is our goal to meet the individual student's career and educational objective. We support the characteristics of the individual institutions and believe valid decisions can be made at the local level as to the mission and objective of each institution.

Our association endorses the concept of SB 7 and supports the Board of Regents in their request for passage of the bill. There are some items that we hope would be clarified as the bill is discussed and of which may be included in the statutory language.

1. We would like to have clarification of the language in lines 4 and 5 of New Sec. 2 (a). We believe the inclusion of the language "a new governing board, which shall be separate and independent of any board of education of any school district" may be detrimental to the current Type II technical colleges as they have area boards of control represented by numerous school districts. We believe that

a forced dismantling of these boards, which have a history of effectiveness, could have the impact of dismantling the operation of the institutions. We encourage you to consider the use of language "a new governing board separate and independent of any single Unified School District Board of Education". This would allow the Type I technical colleges to develop an independent governing board with sole authority for the function of the technical college and allow the Type II technical colleges to develop or retain their current board of control structure that does operate solely for the function of the technical college.

2. We believe the term "territory" on line 8 of New Section 2 (a)(2) may need to be defined. Kansas community colleges have a defined district and also have a service area. The district is the home county of the college whereas the service area has regional boundaries determined through cooperative agreements among the colleges and defined I believe by KBOR policy. Those designations have been effective for the community colleges as they work cooperatively in the delivery of classes to numerous communities within their service area but the district is the home county with a known taxing authority boundary. The technical schools and colleges do not have defined service areas for course and program delivery and this has been effective in meeting the employment and workforce development expectations of the state. We work cooperatively with our peer institutions to deliver customized training in specialized fields. It is our hope that the term "territory" will be applicable to the geographic boundaries from which the board members must reside. We believe this is the intent of the statement, but ask that clarification by definition is included in the statute.
3. We believe there is need for clarifying language in line 9 of New Section 2 (a)(3). The use of the term "or" allows for interpretation of the Board of Regents' desire for the makeup of the board. We suggest that the term "and/or" be used in order that the technical college board could be elected at those colleges in which the local "territory" believes that method best serves the college or the board could remain appointed as is the current practice at the Type II technical colleges.
4. We support the addition of language allowing for revenue based upon local taxing approval. The amendments as proposed by the Regents would allow the technical colleges the opportunity to seek local tax revenue. We would ask however, that the restrictions placed in the New Section 2 (a) of the proposed amendment be defined in language similar to the language of any other public educational entity. We believe the 5-year limitation and the use of the funds may be more restrictive than placed upon other entities and ask that you consider this in your deliberations. I want to reiterate that we applaud the intent of the amendment in providing for the technical colleges to seek local support for the expansion and enhancement of our operations in order to meet enrollment and educational expectations.

Our association supports the ability of an institution to adapt to the needs of the community and fulfill the interest of the state. We appreciate the support, advocacy, and assistance that the Kansas Board of Regents provides us as we strive to meet the state's need for a highly qualified technically educated workforce. As indicated in the timeline, our institutions have been able to adapt to the local needs by modifying organizational and governance structures appropriate to the continued educational needs of our communities. We support legislation that would allow Type I technical colleges to form

a governance structure appropriate for higher education; a structure which would enable the attainment of HLC accreditation; and a structure which would provide a board solely responsible for the advocacy and function of a college. We believe SB 7, with clarification, would provide that opportunity and allow our institutions the potential to meet the local, area, and statewide workforce and employment enhancement needs essential for economic vitality.

Implementation of Federal Legislation
Kansas legislature meets federal requirements.
Provides funding for facilities and operational expenses for vocational technical education to secondary and post-secondary students

Legislators passes "new" school finance formula which removes categorical aid (funding for secondary students attending AVTS/AVS)

Coordination of AVS/AVTS/ATC moves from KSBE to KBOR

Gov. Bennett signs law establishing Vocational Capital Outlay fund for equipment and facility improvements

Gov. Finney signs law providing for permissive change from AVS/AVTS to Technical College status (6 have made the conversion – Emporia, Wichita, Beloit, Manhattan, Atchison, Goodland)

In 1965 area schools received state funding for secondary and post-secondary students.

By 2002, state funding is provided only for post-secondary students.



Area Schools (Type I) established at Topeka, Kansas City, Manhattan, Wichita, Dodge City, Liberal, Salina, Atchison, Emporia, Olathe
Area AVTS (Type II) established at Beloit, Goodland, Newton, Coffeyville
Comm. Coll./AVS established at Arkansas City (Cowley CC/AVS)

Pratt Comm. College becomes PCC/AVS

Legislation is passed on moratorium of additional AVS/AVTS

Dodge City CC, Hutchinson CC, Johnson CCC. assume post-secondary programs as a result of closure of area vocational schools (secondary programs move to local USD's)

Coffeyville CC assumes post-secondary programs as a result of closure of Type II area school

In 1990 there were 9 Type I, 5 Type II, and 2 CC/AVSs.
By 1999 there were 8 Type I, 3 Type II and 5 CC/AVSs
3 of the Type I's were Technical Colleges and 1 Type II was a Technical College
In FY2003 there are 8 Type I, 2 Type II and 6 CC/AVSs
4 of the Type I's are Technical Colleges and both Type II's are Technical Colleges
Resulting in 4 Type I area schools, 4 Type I technical colleges, 2 Type II technical colleges and 6 CC/AVSs

Senate Education Committee
Testimony presented Monday February 10, 1:30

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Chairman Umbarger,
Vice-Chair Vratil
Committee members,

Thank you for the opportunity to present information to you regarding SB7. My comments today are brief.

As you know, SB7 allows technical colleges to become autonomous from unified school districts and school boards. In addition, SB 7 furthers legislation passed several years ago in the form of SB 345. By implementing SB7 a more seamless system of higher education, that is even more efficient than the current system, could be implemented and would provide widespread benefits to many Kansans. We support passage of SB7.

We also firmly believe that, as technical colleges, we are vital contributors to economic and workforce development in the state. As a public institution our mission is to offer affordable, applicable education. The increasing cost of providing technical education in the face of declining resources has resulted in a sense of helplessness as we attempt to meet the student and industry demands of our state. Reductions experienced in fiscal year '03 were absorbed in light of the poor economy. These cuts have resulted in increased amounts of deferred maintenance and decreased quality of programs as a whole. Fulfilling our mission as a public institution has been jeopardized.

In light of these budgetary constraints and with the passage of SB 7, we encourage consideration of giving local levy authority to technical colleges once they become autonomous. We support local control because of the synergy that results. Our future ability to cover costs of facility maintenance, tort liability, fluctuations in utilities, equipment repair and upgrades, and fluctuations in medical insurance costs has been diminished because of the budget conditions.

We are perched on the threshold of change with SB7 and are energized by the positive direction for the future. To continue to provide highly skilled workers to business and industry we must be able to finance the programs they call for and be able to garner that support through local tax or levy authority. As responsible managers, we are making

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changes to cut expenses and to generate new revenue streams other than tuition and fee increases. Our institutions must be able to provide programs that are high-tech and that produce highly skilled employees that meet the ever-increasing demands of business and industry.

Given all of this, the bottom line remains that we support passage of SB 7 and all the potential it encompasses. Thank you for the opportunity present to you today.



Senate Education Committee
S.B. 7 – Governance of technical colleges
Senator Dwayne Umbarger, chair

Connie Dietz
Wichita Public Schools
Board of Education

February 10, 2003

Chairman Umbarger, members of the committee:

The Wichita Area Technical College (WATC) is governed by the USD 259 Board of Education. The Wichita Area Technical College serves the largest secondary and postsecondary populations in the state. The Wichita business community views the technical college as an important educational tool in workforce training and retraining. The Wichita Board of Education fully understands the importance of having a highly skilled, adaptable workforce. The Board takes this responsibility seriously and has made changes to our meeting schedule and policies to better accommodate the unique needs of WATC. Wichita's urban demographics make it imperative that our technical education system meets the needs of both students and employers. We believe in the philosophy of a seamless K-16 system, especially given the large number of students who are less likely to attend a four-year institution.

With those caveats, I appear before you today as an opponent of Senate Bill 7. The Wichita Board of Education is on record opposing any change in the current system of governance. I would like to note the Board's vote on governance was taken September 2002.

Last October two members of the Kansas Board of Regents and several of their staff met with four technical institutions, Manhattan, Flint Hills, Atchison and Wichita. The meeting included the technical college presidents, local school district superintendents, and Board of Education members. Wichita was vocal on that October evening. We asked many questions of the Regents' staff and board. Some have interpreted our questions as resisting the policy change or simply being "difficult". We view our advocacy as fulfilling our charge as Board members who care for the future of our students, staff and the Wichita Area Technical College.

After the October meeting, the Wichita Board appointed a taskforce of community and district personnel to examine the issues involved with a change of governance. The taskforce has met several times and has involved hundreds of hours of staff work to compile questions, answers and more questions. The executive summary of the final 56-page document is attached. The Wichita Board of Education received the report last week. We will review and deliberate on the report during our two February meetings.

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To highlight the findings of the taskforce:

- KBOR's adopted policy last December requiring NCA accreditation for all degree granting institutions. NCA accreditation requires the president of an institution to report directly to the governing board; will increase faculty costs and will require the establishment of a collegiate level library. The accreditation process will take 6 – 8 years to achieve and will strain existing resources and staff.
- WATC has 188 postsecondary staff. The taskforce is greatly concerned about the consequences of separation on a tenured workforce; will tenured staff have a similar salary schedule; a comparable health and dental plan; coverage of pre-existing conditions; early retirement plan; vacation, sick and personal leave; and severance from the district?
- There would be no negative impact on either secondary or postsecondary students.
- The school district owns all the facilities. S.B. 7 does not provide for bonding authority by technical colleges. The facilities in Wichita are old, scattered across town and do not accommodate the increased use of technology. How will the new entity pay for new buildings?
- For historical reasons the current postsecondary aid formula penalizes WATC. The gap in funding WATC's actual cost and what the formula pays is currently covered by the school district's general fund. The postsecondary budget is \$12.8 million, tuition and postsecondary aid cover \$9M, leaving a \$3.8M shortfall. In other words, 70% of actual costs are covered by postsecondary aid and tuition. The Wichita K-12 school district is subsidizing WATC by 30%. Will this sizable funding gap be covered if WATC is separated or will the state's largest technical college be forced to slash programs?

Wichita's Board of Education and administration have continued to question the feasibility of the Regents' recommendation for separation of all degree granting institutions. Our questions should not be viewed as being inflexible. As Board members we are elected, just as you, to be good stewards for the students, faculty and programs we, as Board members, have pledged to oversee.

The policy discussion of governance cannot be separated from a coherent discussion of the current postsecondary aid formula. Who are the current losers? How would separation impact those institutions? How does the current funding formula impact programming? What happens to buildings built by school district patrons after separation? What happens to long term, loyal staff? Will the new institutions have taxing authority or bonding authority?

Mr. Chairman and members of the committee, I would encourage this committee to press the Board of Regents for conclusive answers to these and other questions found within the taskforce's 56-page document, *prior* to any further consideration of Senate Bill 7. We believe the incremental approach is flawed. Governance and funding are inseparable. If our collective goal is to build agile technical colleges able to respond quickly to the needs of business and produce highly skilled, adaptable workers in a rapidly changing environment, the flawed funding formula must also be addressed.

Thank you for your consideration of our concerns. I would stand for questions.



WORKING DOCUMENT

BOE Formed Community Transition Task Force Summary of Key Findings



The following summary of key findings and unanswered questions represents the follow up and research completed by staff and the Transition Steering Committee in response to questions generated by the Transition Task Force.

Section 1: Accreditation

On December 17, 2002 the Kansas Board of Regents passed a motion to adopt policy that requires any public postsecondary institution desiring to confer a degree to have achieve Higher Learning Commission – North Central Accreditation (HLC-NCA) candidacy status by July 1, 2006 and accredited status by July 1, 2009. This new requirement for HLC-NCA accreditation is now a reality that WATC and the Board of Education must respond to in a timely manner independent from governance questions and information. For the purpose of this report, accreditation is now lifted out and addressed as a separate issue.

Key Findings

- To achieve HLC-NCA accreditation, WATC must have the following:
 - A governing board that possesses and exercises necessary legal power to establish and review basic policies that govern the institution.
 - A President who reports directly to the governing board.
 - Faculty who have the degree appropriate to the level of instruction offered by the institution.
 - An undergraduate degree program that includes a general education requirement consistent with the institution's mission and is "owned" by WATC.
 - An accessible library with appropriate learning resources.
- The Regent's timeline to achieve accreditation in 6-8 years is optimistic.
- Additional deficiencies could be identified through the process to achieve candidacy status.
- Accreditation would take additional resources and capacity. The costs associated with achieving HLC-NCA accreditation are estimated to be \$100,000-150,000 for sites visit and documentation preparation alone and does not include costs of staff time.
- Current board could serve as governing board with modifications to meet HLC-NCA guidelines.

Since the Regents have passed policy requiring HLC-NCA accreditation of all degree granting postsecondary institutions, the USD 259 Board of Education should engage in discussion and take appropriate action regarding the following question:

"Does the Board desire WATC to continue to confer postsecondary degrees?"

If yes, the Board should direct WATC administration to come back with a plan to achieve HLC-NCA accreditation.

If no, the Board should direct WATC administration to come back with a plan to return to a technical school status.

WORKING DOCUMENT

Section 2: Vision Key Findings

- The Wichita area needs a postsecondary technical institution where students gain marketable technical skills that earn accredited college credit.
- WATC is a key partner in economic development for the region.
- Business and industry desires targeted classes that can be delivered quickly.
- Returning to a technical school status would be viewed negatively by students and the business community.
- WATC is different from many other technical colleges in Kansas in that it administers secondary programs in the USD 259 high schools, and serves urban employers and major corporations.

Section 3: Governance

On December 17, 2002, the Kansas Board of Regents approved a motion to forward legislation that would mandate all technical colleges to have new governing boards, separate and independent of any board of education of any school district. (See Addendum A: Senate Bill 7 , page 52.) The plan shall provide:

- The composition of the independent governing board;
- The territory of the technical college;
- The method of election or appointment and terms of service of the governing board;
- The date upon which the board shall assume management and control;
- The manner, terms upon which and extent to which the facilities, faculty, employees, and students of the technical college will be transferred to the independent governing board.

Key Findings

- For NCA accreditation, the president must report directly to a board, not through the superintendent. (See accreditation section.)
- WATC requires a governance board with a focus, expertise, advocacy and passion for postsecondary technical education. Under the current system this creates a unique set of challenges and time commitments for those individuals serving as board members.
- Unclear as to what the Regents are promoting (i.e. a uniform model or leaving the configuration to each community).
- Other states have designed and implemented statewide systems of technical college education that address the needs of postsecondary students and make provisions for secondary schools and high school age students.
- The structure should allow for targeted classes than can be delivered quickly to meet business and industry needs.
- Separate governance offers sole focus on the technical college and its vision and mission.
- Some aspects of the larger K-12 organization create barriers for WATC operation, such as:
 - Instructor contracts developed from K-12 schedules;
 - Current pay structure does not give credit for occupational experience;
 - Approval processes that add layers and possible delays;
 - Lack of direct access to board members that can create miscommunication and diminish responsiveness.

Unanswered Questions

- Can KBOR focus sufficient attention and resources on the technical colleges? (Regents)

Section 4: Funding Key Findings

- USD 259 currently subsidizes shortfalls in postsecondary funding. WATC Postsecondary programs cost \$12.8M and postsecondary aid, tuition, fees and cash balances total only \$9M.
- The under funding of postsecondary programs by the state is not a governance issue. A transition plan is currently in place that will ultimately separate secondary and postsecondary revenues and expenditures.
- Without additional funding sources programs must be cut which would result in a loss of training opportunities to students.
- Higher education state funding to WATC has been cut twice this year, \$325,546 or 5.85%.
- Capital outlay budget cut by \$ 27,000.
- Postsecondary funding is based upon last year's contact hours.

WORKING DOCUMENT

- Technical colleges and schools have no current taxing authority.
- Community colleges can levy property taxes, no limits.
- Increasing WATC enrollment.
- Postsecondary aid has not been fully funded for five years.
- Postsecondary programs do not generate or receive LOB.
- One time costs of separation include resolving funding shortfalls, possible severance pay to current WATC employees, and if desired, the purchase of accounting, budgeting, inventorying and payroll systems.
- Ongoing costs of separation would include facility and maintenance expenses, possible contracting for accounting, budgeting, inventorying and payroll services, human resources and risk management functions. Many of these services are currently funded through indirects paid to the district and dollar designated in the current budget.

Unanswered Questions

- Would the community support taxes for technical education?

Section 5: Faculty and Staff Key Findings

- 188 postsecondary WATC employees impacted.
- The tenure process used by most postsecondary institutions has a longer timeframe and ties to different performance outcomes and expectations than the tenure process used by K-12 systems.
- Employees would remain KPERS eligible.
- 81 postsecondary WATC employees are eligible for early retirement ("the bridge").
- The new entity may select a bargaining agent to represent, if allowed by the new legislation.
- It is likely that benefits would cost more and the employee would get less under the plan with the entity versus USD 259.
- If the new entity stays with USD 259 health benefits, the district would need to pay an additional \$750,000 in state tax to be a multiple employer plan.
- There are numerous issues that must be negotiated in the transition by the BOE, Regents, Legislature and new entity. These include:
 - Would the salary schedule carry over?
 - Would credit for work experience and/or education in placement on the salary schedule?
 - Would current tenure be maintained in the new entity?
 - How would retirement, early or not, be impacted by separation?
 - How would benefits be impacted by separation?
 - Would longevity continue in the new entity?
 - Would employees be required to terminate from USD 259 and hire with the new entity, and how would severance pay be impacted?
 - What protections for continued employment will exist?
- Board must make decisions that would protect staff.

Unanswered Questions

- Many additional questions generated and identified in full report (pages 31-40).

Section 6: Students Key Findings

- General education component would be more relevant to technical education.
- No negative impact on secondary students.
- No negative impact on postsecondary students unless college status is lost or funding is significantly reduced.
- The Regent's policy requiring HLC-NCA accreditation would positively impact students by facilitating students' ability to transfer credit between postsecondary institutions.
- Some businesses prefer education programs that result in two or four-year degrees.
- If separation occurs, USD 259 would need to create a secondary technical education division or subcontract with WATC for those services.

WORKING DOCUMENT

Section 7: Facilities Key Findings

- USD 259 owns all WATC buildings.
- Equipment purchased for use in secondary programs would remain in the high schools.
- Equipment purchased for use in postsecondary programs would remain with WATC.
- A security and title search discovered no restrictions or reversionary rights on any of the WATC properties except Airport Campus where a lease with the Airport Authority would need to be renegotiated.
- Existing facilities do not meet future needs.
- BOE can sell or lease current properties to the new entity.

Unanswered Questions

- Are there WATC properties, which are in the District's best interest to keep?
- If WATC facilities are leased, how would upgrades be handled?

Section 8: Shared Services Key Findings

- The District provides a variety of services to WATC. These include:
 - Human Resources
 - Financial Services - budgeting, payroll,
 - Operations – purchasing, ordering and receiving, supplies, interschool mail
 - Facilities and Maintenance
 - Safety Services
 - Environmental Services
- WATC currently pays \$379,936 to USD 259 as “indirects” for some of the services identified above.
- WATC provides services to the District. These include:
 - Instruction to high school students on two WATC campuses (Grove and Airport).
 - Supports vocational instructors, students and programs delivered at the high school campuses.
 - Data collection and analysis required for state vocational reporting.
 - Administers two grants that directly benefit secondary students – Carl Perkins and Schools-to-Careers.
- Under separate governance and structure, the district would pay tuition for USD 259 high school students receiving instruction on WATC campuses, just as other districts currently do.

Unanswered Questions

- What would the additional ongoing administrative costs be?
- Can contracts for services be negotiated?

WORKING DOCUMENT

Summary of Issues Requiring Legislative Action

Authorizing legislation to separate

- The Regents have introduced S.B. 7 requiring all technical colleges to develop and present a plan to replace their governing body with a new governing board. The bill articulates elements the plan must include. The separation plans must be presented to the Regents on or before July 1, 2005.

Current or future bond projects

- A two-fold issue with WATC. Technical colleges do not have bonding authority. The Board of Education is prohibited from spending bond construction funds on an entity it will not have authority and control over in the future. Flint Hills would also be impacted.

Policy options:

- Introduce legislation permitting the new entity to inherit any standing bond obligations resulting in a capital improvement at the college's facilities. Legislation would include the new entity's ability to levy property taxes to pay the cost of the outstanding bonds. Similar to current law covering improvement districts annexed by cities.
- Further permit technical colleges to levy bonds for construction and remodeling of facilities.

Health benefits

- The district would be subject to a premium tax of approximately \$750,000, if an employer were invited to share the district's health plan. Multiple employers triggers a state premium tax.

Policy option:

- Introduce a narrowly constructed bill exempting cooperating educational institutions from the premium tax.

Funding

- Current formula penalizes WATC for secondary hours delivered at the high schools resulting in a sizable subsidy by WPS to the college exceeding \$2M.

Policy question:

- Will KBOR adjust their formula to make up the current WPS subsidy during these extremely tight fiscal times?

Taxing authority

- Technical colleges do not have any taxing authority – either for general operations or bonding for construction. However, community colleges have both.

Policy option:

- Introduce legislation permitting technical colleges to levy property tax for general operations and bonding for construction.

Questions: What is the territory of the technical college?
 How would multi-county agreements be addressed?
 Would the Regents still approve the territory as S.B. 7 as written?

WORKING DOCUMENT

Summary of Separation Costs

The following summarizes costs to which an estimated dollar amount could be assigned.

One-Time Costs	Estimated Cost
Payment of accrued severance benefits to current employees.	\$293,287
Safety Services - one time alarm installation	\$5,600
Accreditation	\$150,000
Total	\$448,887

Potential On-Going Costs	Estimated Cost
State Premium Taxes for Multi-Employer Plan	\$750,000
Total	\$750,000

On-Going Costs Funded Through WATC Budget	Estimated Cost
Administrative indirects paid by WATC to USD 259	\$379,936
Budgeted benefits for current WATC employees. *	\$2,112,377
Total	\$2,492,313

On-Going Costs Fund Through USD 259 Budget	Estimated Cost
Facilities Maintenance Services	\$221,762
Elevator Inspections and Maintenance	\$1,521
Fire Extinguisher Inspections and Servicing	\$1,290
Vent and Chemical Hood Cleaning Services (annual contract)	\$2,700
Minor Improvement Allocation	\$7,100
Dust Mop Service	\$1,403
Environmental Services	\$28,830
Purchasing Services	\$50,900
Receiving Services	\$3,485
Receiving Return Services	\$562
Supply Delivery Services	\$936
Supply Mail Delivery	\$2,210
Supply Data Collection Services	\$318
Transportation Services (currently funded by WATC budget)	\$13,000
Design and Construction Services	\$364,229
Safety Services - 3rd shift, weekend/holiday coverage	\$102,000
Safety Services - alarm system monitoring	\$3,168
Total	\$805,414

* These costs are based on USD 259 figures and may be higher for a new entity.