

MINUTES OF THE HOUSE HIGHER EDUCATION COMMITTEE

The meeting was called to order by Chairman Tom Sloan at 3:30 p.m. on February 18, 2004 in Room 231-N of the Capitol.

All members were present except:

Representative Annie Kuether- excused
Representative Roger Reitz- excused

Committee staff present:

Mary Galligan, Legislative Research
Art Griggs, Office of the Revisor
Susan Allen, Committee Secretary

Conferees appearing before the committee:

Representative Todd Novascone
Shane Prill, Certified Financial Planner, Wichita
Richard Hoffman, Director, Kaw Area Technical School

Others attending:

See Attached List.

HB 2755 - University of Kansas and Wichita State University mens' basketball teams to play each other.

Chairman Sloan opened hearings on **HB 2755.**

Paul Savage, Wichita Sports Hall of Fame, submitted written testimony in favor of **HB 2755 (Attachment 1).**

Representative Todd Novascone testified as a proponent of **HB 2755.** Representative Novascone testified that many other states have similar legislation and that these games would be memorable to the supporters of both teams(Attachment 2).

Shane Prill, Wichita, testified as a proponent of **HB 2755.** Mr. Prill testified that there would be an economic benefit as a result of these games (Attachment 3).

Chairman Sloan advised the Committee of the Fiscal Note for **HB 2755 (Attachment 4).**

Representatives Phelps and Huntington asked if there was support from the University of Kansas Athletic Department for scheduling these games and what the associated costs would incur. Representative Novascone said he had not contacted the University of Kansas.

There being no further, the Chairman Sloan closed the hearings on **HB 2755.**

HB 2795 - Compulsory school attendances; exemption for students in postsecondary educational institutions.

Chairman Sloan opened hearings on **HB 2795.**

Richard Hoffman, Kaw Area Technical School, testified as a proponent of **HB 2795.** Mr. Hoffman included the United States Department of Education "Audit Results" with his testimony which indicated that Kaw Area Technical School would be required to repay \$882,445.00 in government aid (Attachment 5).

CONTINUATION SHEET

MINUTES OF THE HOUSE HIGHER EDUCATION COMMITTEE at 3:30 p.m. on February 18, 2004 in Room 231-N of the Capitol.

Representatives Gordon and Horst asked if this bill would correct this situation for all Technical Schools, and Mr. Hoffman responded that it would. Representative Horst and Neighbor asked questions concerning how this bill would effect compulsory attendance in secondary schools. Mr. Hoffman responded that if a student dropped their enrollment in a Technical School, they would be out of compliance with compulsory attendance.

There being no further question, Chairman Sloan closed the hearings on **HB 2795**.

Representative Tavanelli presented a report from his Sub-Committee on residency and tuition issues. Representatives Storm, Neighbor, Reardon, Hill and Huntingon asked Representative Taffanelli for clarification regarding the report and the twelve semester limitation.

Chairman Sloan next directed the Committee to work **HB 2795**.

Representative Huntington moved to amend line 42 to read "concurrently enrolled in high school and post-secondary". The motion was seconded by Representative Horst. The motion carried.

Representative Horst moved to pass **HB 2795** as amended. Representative Neighbor seconded. The motion carried.

Chairman Sloan asked Representative Neighbor to carry the bill.

Chairman Sloan adjourned the meeting at 5:20 p.m. The next meeting is scheduled for Monday February 23, 2004 at 3:30 p.m. in RM 231-N.

WICHITA

SPORTS HALL OF FAME

CORPORATE OFFICE:

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February 18, 2004

To: Kansas House of Representatives

The Wichita Sports Hall Of Fame and Museum is firmly in favor of The Kansas House and Senate passing a bill mandating the requirement of both Kansas State University and The University Of Kansas playing basketball on a home and home basis with Wichita State University, every year.

Two Basic Reasons:

1) Economics.....These games can be played in our own state with much smaller travel expenses, thus allowing all 3 schools to maximize the amount of money realized for each school. It also keeps tickets sales revenues and expense money, used by each team in our own state. KEEP THIS MONEY IN KANSAS.

2) State Pride.....Basketball in State of Kansas has a rich tradition and should be enjoyed by ALL TAX PAYING KANSANS. Imagine all the pride, conversation and enjoyment that all Kansans would enjoy with these in-state basketball games. From border to border and all over the State of Kansas these games would become the greatest sport spectacle enjoyed by Kansans year in and year out.

This body has it within its grasp to do what is right for all Kansans who love basketball.....Let the fun begin!!!!

Sincerely,



Paul Savage

President and Founder

Wichita Sports Hall Of Fame and Museum

House Higher Education Committee

Meeting Date: 2/18/04

Attachment No.: * 1

State of Kansas
House of Representatives

Todd Novascone
99TH DISTRICT



COMMITTEE ASSIGNMENTS
VICE-CHAIRPERSON: COMMERCE AND LABOR
MEMBER: ECONOMIC DEVELOPMENT
FEDERAL AND STATE AFFAIRS
TOURISM AND PARKS

Thank you, Chairman Sloan, for giving me the opportunity to come before you today on this important bill.

Wichita State University and University of Kansas engage in competition in various sports every year, such as baseball, volleyball, softball. However, for some reason the men's basketball teams are left out of the intra-university competition. The men's basketball teams have not engaged in a game since the 1993 season. For schools a mere 220 miles apart, this is a travesty for the state. Although KU and WSU have not played one another, they each have played numerous other schools. For example, in the last ten years KU has played Nevada, Wyoming, Richmond, Fort Hays State, Pittsburgh State, etc. WSU has played Rockhurst, Stephen F. Austin, Wyoming, Austin Peay, Manhattan NY, La Salle, SW Texas State, etc.

You might ask if other states have passed similar legislation...the answer is yes. Georgia and Iowa passed legislation comparable to the bill I am proposing today. Last year, Oklahoma passed a resolution urging University of Oklahoma to play Tulsa in men's basketball.

I know that many people think that this bill and even this hearing today is a waste of tax payer's money, but I don't agree. Everyone will remember these two games. The sports bars will be packed, the media will be at a frenzied level, and fans from both sides will be enthusiastic for the games.

By allowing such a bill to pass, both teams would benefit. Fan support of both teams runs strong throughout the state and I have received numerous emails and phone calls supporting this bill. As I conclude my testimony, I pose this question: If you are a season ticket holder of KU basketball or WSU basketball, would you rather watch both KU/WSU play Wyoming or would you rather watch KU play WSU?

A handwritten signature in blue ink, appearing to read 'T. Novascone'.

COLLEGE BASKETBALL

Novascone: WSU-KU proposal has generated interest from fans

Man, you should have seen Jamar Howard's eyes light up when he was told Kansas might be forced to play Wichita State.

"Really?" the Shockers' junior forward said. "You mean while I'm still in school?"

Sorry, no. The bill has the Shockers and Jayhawks playing in 2005-06, and again the next season.

"Oh," Howard said. "Then what do I care?"

Howard may have felt left out of the Shocker-Jayhawk talk last week, but he's the exception. The man who introduced the bill, Rep. Todd Novascone, R-Wichita, said he's been flooded with phone calls and e-mails since Tuesday.

"I walk into the office and my secretary is like, 'What did you do?'" Novascone said. "It's by far the most reaction I've ever gotten about anything in (four years in the) legislature. I just wish everybody was this interested in school finance and taxes."

It's gone beyond water cooler talk. Novascone has been invited on sports talk shows in Lawrence, Topeka and Kansas City. His e-mail address popped up on one Web site. He has received approximately 75 e-mails and another 25 phone calls.

Novascone said approximately 70 percent of the feedback has been positive.

"There was this one, though,"



ADAM KNAPP

WSU NOTES

Novascone said. "The guy asked me, 'How do you spell idiot? N-o-v-a-s-c-o-n-e.' I've got that one hanging on my wall."

See, Novascone's whole point of introducing the bill was to get people talking about the series again. Mission accomplished. Even Novascone's two younger brothers, former Shocker golfers Corey and Jason, have been bombarded with questions.

But there are critics. Many of them have asked Novascone how he could waste his time and taxpayer money on a basketball issue.

"It took me less than an hour," Novascone said. "You saw the bill — it's three paragraphs long."

Then why didn't the bill include Kansas State as well as KU?

"We thought about it," Novascone said. "But they've played recently. You've got (former WSU athletic director) Lew Perkins at Kansas and (former KU player) Mark Turgeon at WSU. I'm told that Wichita has the second-largest amount of KU alumni

in Kansas. Can you imagine the sports bars in Wichita before that game? Everybody would talk about it. Everybody would remember it."

Probably. WSU fans are still trying to forget their four games against KU in the early 1990s, when the Shockers lost by an average of 35 points.

Still, Novascone thinks it's ridiculous that the schools haven't played since 1993, even if the series was lopsided in KU's favor, and he correctly points out that Shocker basketball is much improved since then. Maybe WSU could be competitive, especially if the series is home-and-home.

The bill goes before a committee hearing on Tuesday. The committee chairman, Novascone says, is a Lawrence native and a Jayhawk fan. Novascone said at least half the Kansas legislature has some kind of allegiance to KU.

Still, Novascone now has a little hope for the bill. Early last week he gave it zero percent chance to pass. Now, thanks to the massive feedback and encouragement from fellow legislature members, he now gives it 25 percent.

And if the bill passes, there would be little downside for the Shockers.

"I will admit," Novascone said, "that this is a bigger deal for Wichita State than KU."

But you won't get Turgeon to say that. In fact, you won't get

Turgeon to say anything on the subject. When asked about it again on Wednesday, Turgeon started walking away.

Who can blame him? No matter what Turgeon says is probably going to anger somebody from either his alma mater or his employer — maybe even both.

But Novascone shouldn't care about that. Nor should he care what Perkins or WSU athletic director Jim Schaus have to say. He wants to see the Jayhawks play the Shockers, not hear excuses about why they can't.

"This may sound strange coming from a politician," Novascone said, "but I wanted to take the politics out of it."

Adam Knapp covers Wichita State sports. Reach him at 268-6284 or aknapp@wichitaeagle.com.

Good afternoon my name is Shane Prill. I am a Certified Financial Planner. I am married, we have two children and we live in Wichita. I moved to Kansas in 1986 after graduating from Wayne State College in Wayne Nebraska.

I am here today in support of House bill 2755. I believe this bill would be beneficial for the State in a number of ways.

- 1) Keep Kansas money in Kansas. These games will be "big events" in the State each year, not only for the travel and attendance of the games, but restaurant and sports venue activities.
- 2) Nothing but positive can come from these games. Besides generating economic activity for our state, it also allows for reduction of expenses in terms of team travel costs and the costs of **paying** small schools to come to Kansas to play the non-conference games.
- 3) As taxpayers we support these institutions and we deserve to see them play.
- 4) Many KU and KSU alumni live in Wichita and these games may be the only time they will see "their team" play.



House Higher Education Committee

Meeting Date: 2/18/04

Attachment No.: 3

TOM SLOAN
 REPRESENTATIVE, 45TH DISTRICT
 DOUGLAS COUNTY

STATE CAPITOL BUILDING
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 sloan@house.state.ks.us



TOPEKA

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COMMITTEE ASSIGNMENT
 CHAIRMAN: HIGHER EDUCATION
 MEMBER: UTILITIES
 ENVIRONMENT
 GENERAL GOVERNMENT &
 HUMAN RESOURCES
 BUDGET

February 18, 2004

The Honorable Tom Sloan, Chairperson
 House Committee on Higher Education
 Statehouse, Room 446-N
 Topeka, Kansas 66612

Dear Representative Sloan:

SUBJECT: Fiscal Note for HB 2755 by House Committee on Tourism and Parks

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2755 is respectfully submitted to your committee.

HB 2755 would require that in the 2005-2006 and 2006-2007 school years, the men's basketball teams at the University of Kansas (KU) and Wichita State University (WSU) schedule a game with each other. One game would be held at KU and one game would be held at WSU.

Wichita State University states that an additional \$5,000 in revenue would be received the year that the game was held at WSU. There would be no measurable effect for WSU in the year that the game is held at KU. The University of Kansas states that passage of HB 2755 would result in the loss of revenue from one home game and potentially the loss of television revenue for the two games. The University states that the total loss of revenue could be several hundred thousand dollars.

Sincerely,

Duane A. Goossen
 Director of the Budget

cc: Mary Herrin, Wichita State University
 Theresa Klinkenberg, University of Kansas

House Higher Education Committee

Meeting Date: 2/18/04

Attachment No.: 4



February 18, 2003

TO: Representative Tom Sloan
House of Higher Education Committee

FROM: Richard Hoffman
Director, Kaw Area Technical School

RE: **HOUSE BILL #2795**

In October 2003, I was notified by the United States Department of Education that they would be conducting an audit of Kaw Area Technical School's (KATS) financial aid program. During the exit interview, the lead auditor informed me that KATS was out of compliance based on the fact that the school was accepting students, who had not graduated from high school or earned their General Equivalency Diploma (GED), as regular students, and these students had not passed the age of compulsory attendance as set forth by K.S.A. 72-111. Further, KATS has been out of compliance since July 1997 when the compulsory age for Kansas was changed from sixteen (16) to eighteen (18).

As a result of this change in state statute, the Preliminary Finding Point Sheet and the Draft Auditor's Report both recommend that Kaw Area Technical School face the following penalties:

1. Immediate suspension of KATS ability to award financial aid to postsecondary students.
2. Pay back to the government financial aid disbursed to students during AY 2002-03, which total \$882,445.
3. Further audit KATS enrollment practices prior to AY 2002-03 to identify additional monies that should be paid back. (This estimated amount exceeds over \$3,000,000.)

It is important to note that Kaw Area Technical School has never been sited for awarding ineligible students financial aid. All students, who received financial aid, met federal eligibility requirements.

Further investigation by Reggie Robinson, president and CEO of the Kansas Board of Regents, has determined that the compulsory age law is a problem for other schools and colleges in at least seventeen (17) other states as well as Kansas. After visiting with several United States Senators, Representatives and their staff members, it was determined that this is a state issue not a federal issue. The Federal regulation simply states that whatever the State sets as its own guidelines is what the Federal government will accept.

To this end, I am asking your support of House Bill #2795 as a legislative solution to this problem for the entire State of Kansas.

Attachment No.: _____

5724 SW Huntoon Street Topeka, Kansas 66604-2199 785-2

House Higher Education Committee

Meeting Date: 2-18-04

Attachment No.: 5



February 18, 2004

To Whom It May Concern:

RE: DRAFT AUDIT REPORT

This information is being provided to you for your official review and comments.

Recipients of this draft report must not, under any circumstances, show or release its contents for purposes other than official review and comment. It must be safeguarded to prevent publication or improper disclosure of the information it contains. This draft and all copies of it remain the property of, and must be returned upon request to, the Department of Education's Office of Inspector General.

Thank you for giving this material your prompt attention. Please send your comments to rhoffman@kats.ks.us or by contacting me at (785) 228-6301.

Respectfully,

A handwritten signature in black ink that reads "Richard B. Hoffman". The signature is written in a cursive style with a prominent initial "R".

Richard B. Hoffman
General Director

pm
Attachments



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF INSPECTOR GENERAL
KANSAS CITY OFFICE



8930 Ward Parkway, Suite 2401
Kansas City, Missouri 64114-3302

AUDIT SERVICES

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INVESTIGATION SERVICES

FAX (816) 823-1398

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JAN 23 2004

Richard Hoffman, Director
Kaw Area Technical School
5724 SW Huntoon
Topeka, KS 66604-2199

Confidential

Dear Mr. Hoffman:

This Draft Audit Report (Control Number ED-OIG/A07-D0026) presents the results of our audit of Kaw Area Technical School (KATS). Our objective was to determine if KATS was in compliance with the requirement that, to be eligible to participate in Title IV Student Financial Assistance programs, postsecondary vocational institutions must admit as regular students only individuals who have a high school certificate or its equivalent or are beyond the age of compulsory school attendance. This requirement is defined in sections 101(a)(1) and 102(c)(2) of the Higher Education Act of 1965, as amended (HEA).

AUDIT RESULTS

We found that KATS is not eligible to participate in the Title IV student aid programs because it is not in compliance with the requirement set out in sections 101(a)(1) and 102(c)(2) of the HEA. In addition, KATS may not have been eligible to participate in these programs since at least 1997, when, KATS officials informed us, the age of compulsory school attendance was changed from 16 to 18 in Kansas.

Under sections 101(a)(1) and 102(c)(1)(B) of the HEA, in order to participate in the Title IV programs a “postsecondary vocational institution” must, among other requirements, admit “as regular students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such a certificate” Section 102(c)(2) further provides that the “term ‘postsecondary vocational institution’ also includes an educational institution in any State that, in lieu of the requirement of paragraph (1) of section 101(a), admits as regular students persons who are beyond the age of compulsory school attendance in the State in which the institution is located.”

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At 34 C.F.R. § 600.2, a “regular student” is defined as a “person who is enrolled or accepted for enrollment at an institution for the purpose of obtaining a degree, certificate, or other recognized educational credential offered by that institution.”

Based on discussions with KATS officials and a review of hard-copy student files, we found that during our audit period, Academic Year (AY) 2002-03, KATS enrolled high school students who were not above 18 years-of-age as regular students. Postsecondary students and high school students under the age of compulsory school attendance were enrolled in the same programs, received the same instruction from the same instructors, and received the same diplomas certifying program completion. High school students represented 46 percent of the students enrolled at KATS.

In response to our finding, KATS officials told us that they did not know that their enrollment of high school students under the age of 18 was a violation of Title IV institutional eligibility requirements. They said that the school continues to enroll such students, as do other area technical schools in Kansas.

Recommendations:

We recommend that the Chief Operating Officer for Federal Student Aid

1. Take immediate action under 34 C.F.R. § 600.41 to terminate KATS’ participation in the Title IV programs as a result of it not being an eligible institution;
2. Review KATS’ enrollment practices prior to AY 2002-03 to identify those periods in which it was not in compliance with the Title IV institutional eligibility provisions discussed in this report; and
3. Require KATS to return the amount of Title IV aid distributed to its students during AY 2002-03 (\$882,445), as well as the amount of such aid distributed during those periods in which it was not in compliance with the Title IV institutional eligibility provisions.

BACKGROUND

KATS is one of 11 area technical schools in Kansas that were established pursuant to state law enacted in 1963. KATS staff informed us that the Council on Occupational Education is the school’s accrediting agency. In addition to serving postsecondary students, KATS serves high school students from 17 school districts in and around the city of Topeka. Administratively, it is part of Topeka Public Schools, Unified School District No. 501, and is under the oversight and coordination of the Kansas Board of Regents. KATS identifies its mission as offering

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“educational opportunities to high school, business/industry and adult students by providing quality technical training to meet individual and labor market needs.”

The KATS Internet site notes that it offers over 30 diploma programs. In AY 2002-03, KATS enrolled 1,124 individuals in these programs, 517 of which were high school students. Students who enroll at KATS at the beginning of their junior year of high school are able to graduate with a KATS diploma at the end of their senior year in high school. High school counseling staff stated that KATS courses taken by high school students count as electives towards high school graduation requirements. During AY 2002-03, KATS students received \$882,445 in Title IV financial aid (\$374,040 in Pell grants and \$508,405 in Federal Family Education Loan disbursements).

OBJECTIVE, SCOPE, AND METHODOLOGY

Our objective was to determine if KATS was in compliance with the requirement that postsecondary vocational institutions must admit as regular students only individuals who have a high school certificate or its equivalent or are beyond the age of compulsory school attendance in order to be eligible to participate in Title IV Student Financial Assistance programs.

To accomplish our objective, we

- Reviewed applicable sections of the HEA and regulations;
- Reviewed state law regarding the age of compulsory school attendance;
- Reviewed hard-copy student files;
- Reviewed print-outs from the KATS electronic student information system;
- Reviewed KATS policy and procedure documents; and
- Interviewed KATS managers and staff.

For our review of student files, we randomly selected 52 files from 3 programs, which, we had been informed, were popular, or fully enrolled (Automotive Technology, Collision Repair, and Electricity, Heating, and Air Conditioning). We tested the accuracy, authenticity, and completeness of the data in the school’s electronic student information system by comparing them to source records in the 52 hard-copy student files we had selected. We concluded that the data contained in these systems were sufficiently reliable to be used in meeting the audit’s objective.

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We performed on-site fieldwork at KATS offices from September 29 through October 2, 2003, on which day we held a field exit conference. We conducted additional review and analyses of the materials we had obtained in our Kansas City office from October 6 through 30, 2003, and held the final exit conference on November 6, 2003. We conducted the audit in accordance with generally accepted government auditing standards appropriate to the scope of the audit described above.

STATEMENT ON MANAGEMENT CONTROLS

We did not assess KATS' management control structure applicable to its participation in Title IV programs because it was not necessary to achieve our objective.

ADMINISTRATIVE MATTERS

Please review this draft audit report and provide us with your written comments on the findings and recommendations within 30 days of the date of this letter.

- If you concur with a specific finding and recommendation, describe the corrective actions you have already taken, or those you plan to take, and the targeted completion date.
- If you do not concur with the finding, give your reasons for the disagreement together with the data to support your position.
- If you do not concur with a recommendation, please explain your disagreement and set forth the alternative corrective action you have taken or plan to take and the targeted completion date.

Your comments should be sent to

William Allen, Regional Inspector General for Audit
U.S. Department of Education
Office of Inspector General
8930 Ward Parkway, Suite 2401
Kansas City, MO 64114-3302

If we do not receive your comments within 30 days, we may not consider them when we prepare the final audit report.

This draft report is being provided to obtain advance review and comments from those with responsibility for the subject it discusses. It has not been fully reviewed within the Department of Education and is, therefore, pre-decisional and subject to revision.

DRAFT

Recipients of this draft report must not, under any circumstances, show or release its contents for purposes other than official review and comment. It must be safeguarded to prevent publication or improper disclosure of the information it contains. This draft and all copies of it remain the property of, and must be returned upon request to, the Department of Education's Office of Inspector General.

If you have any questions, please call me at (816) 268-0500. Please refer to the control number in all correspondence related to the report.

Sincerely,



William Allen
Regional Inspector General
for Audit



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