

MINUTES OF THE SENATE EDUCATION COMMITTEE

The meeting was called to order by Chairman Jean Schodorf at 1:40 p.m. on February 8, 2006, in Room 123-S of the Capitol.

Committee members absent:

Committee staff present: Carolyn Rampey, Kansas Legislative Research Department
Theresa Kiernan, Revisor of Statutes
Shirley Higgins, Committee Secretary

Conferees appearing before the committee: Reginald L. Robinson, President & CEO, Kansas Board of Regents

Senator Schodorf called the Committee's attention to the minutes of the January 19 and 24 meetings.

Senator Steineger moved to approve the minutes of the January 19 and 24 meetings, seconded by Senator Ostmeyer. The motion carried.

Overview of technical college governance and funding:

Reginald L. Robinson, President and CEO, Kansas Board of Regents, outlined how Kansas' technical education system evolved over the years and the current governance status of Kansas' technical colleges. In addition, he reviewed an example of the postsecondary aid entitlement formula for technical institutions and the recommendations the Board received from the Northwest Education Research Center in 2004. In conclusion, he informed the Committee that the Board produced a working paper in August 2005 that puts a number of important technical education issues on the table and proposes some options for how to deal with the issues. He noted that the Board expects to submit a legislative proposal on the issues no later than the 2007 Legislative Session. (Attachment 1) For the Committee's information, he distributed a copy of the working paper. (Attachment 2)

A memorandum from Kip Peterson, Director of Government Relations and Communications, Kansas Board of Regents, was distributed in response to a request at a previous meeting that the Board provide data pertaining to the number of students who have enrolled at public higher education institutions under the provisions of K.S.A. 76-731a. (Attachment 3)

Senator Schodorf opened a discussion on a previously heard bill, **SB 332** authorizing Regents' institutions to acquire insurance. She noted that a clarifying balloon amendment was prepared by the sponsors of the bill after the hearing. Senator Vratil commented that he had a chance to see the proposed amendment and could now support the bill. Senator Schodorf called attention to the balloon of the bill which was attached to a letter from Paul Carttar, Executive Vice Chancellor for External Affairs for the University of Kansas, in support of the balloon amendment. (Attachment 4)

Senator Vratil moved to adopt the proposed balloon amendment, seconded by Senator Teichman. The motion carried.

Senator Vratil moved to recommend **SB 332** favorably for passage as amended, seconded by Senator Pine. The motion carried.

The meeting was adjourned at 2:25 p.m.

The next meeting is scheduled for February 9, 2006.

**SENATE EDUCATION COMMITTEE
GUEST LIST**

DATE: Feb. 8, 2006

NAME	REPRESENTING
Reggie Robunsi	KBOR
Kip Peterson	KBOR
RUSSELL MILLS	GACHE'S BRADEN
Amy Billinger	intern
Chris Heatsman	KNEA
Natalie Bugis	WATC
TERRY FORSYTH	KNEA
David Monical	Washburn
Debbie Meador	KLA
GERRY HENDERSON	USA
Kathy Damm	KU
Janie Rose	KACCT
Michael L. White	KATSC
Chris Howe	ADMIN/PURCHASE
Theresa Klinkenberg	KU
Keith Kelle	KU
SCOTT FRANK	LPA
Dustin Wiley	USD 506
Alan Peterson	Zabette County



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Senate Education Committee
February 8, 2006

TECHNICAL COLLEGES & SCHOOLS FUNDING OVERVIEW

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

Good afternoon Madam Chair and Members of the Committee. I am here on behalf of the Kansas Board of Regents to provide you with an overview of technical education funding in Kansas.

Before we look at today's technical education funding mechanism, it is important to look at how Kansas' technical education system has evolved over the years.

Technical Education in Kansas – A Brief Recap:

- 1963** Legislation enacted that created a system of area vocational-technical school.
- Type 1: Governed by local USD Board or CC Board
- Type 2: Governed by Board of Control, comprised of representatives from surrounding USD Boards
- 1968** 14 area voc-techs in operation, by 1985 there were 16 with the addition of Pratt and Johnson County.
- Post 1985** Mergers – Central/Hutch; Southeast/Coffeyville; Johnson County; Cowley County; Pratt; Southwest/Dodge City
- 1994** Legislation permitting conversion to technical college status.
- 1995-2001** Six technical schools convert to college status, with the authority to award associate of applied science degrees.
- 1999** Enactment of SB 345; state-level authority for technical schools/colleges shifts from KSDE to KBOR.

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- 2002 KBOR adopts policy requiring state's postsecondary degree granting institutions to achieve NCA-HLC accreditation.
- 2003 Legislature adopts SB 7, which requires state's technical colleges to develop and submit plans for transition to independent governing boards.
- 2005 Five of the six institutions affected by SB 7 have submitted transition plans that KBOR approves. The sixth, Northeast Technical College (Atchison) indicates that it has decided that it will not submit a plan, and has no interest in pursuing NCA-HLC accreditation.

Current Status: Five colleges with some form of independent governance and moving toward NCA-HLC accreditation.

One college with no movement toward independent governance and no intention of pursuing NCA-HLC accreditation.

Six technical institutions that are run as components of community colleges.

Four technical schools still governed by local USD Boards.

As you can see, today's technical colleges and schools have traveled down a rather convoluted road to get where they are today.

Today's 85-15 Funding Mechanism:

In order to better understand today's 85-15 statutory funding mechanism, Board staff has prepared the following funding example:

**Postsecondary Aid Entitlement Formula for Technical Institutions
K.S.A. 72-4430 & 72-4431**

Formula:

KBOR Approved Operating Budget/Total # Hours Delivered = Cost per clock hour
(Cost per hour X Postsecondary hours only) X .85 = Postsecondary Aid Entitlement

Examples:

In FY00 the "sample" technical college generated 500,000 clock hours of enrollment. The Kansas Board of Regents Approved Operating Budget was \$3,000,000. Therefore, the calculated cost per hour is \$ 6.00. Final Postsecondary Aid Entitlement is \$ 2,499,000.

FY 00 $\frac{\$3,000,000 \text{ approved budget}}{500,000 \text{ total hours}} = \$6.00 \text{ per clock hour}$

 $\$6.00 \text{ per hr} \times 490,000 \text{ PS hrs} = \$2,940,000 \times .85 = \$2,499,000 \text{ Postsecondary Aid Entitlement}$

In FY01 the "sample" technical college generated 1,000,000 clock hours (doubled enrollment). The Kansas Board of Regents Approved Operating Budget was \$3,000,000 as calculated from the previous year (FY00). The result shows no increase in the Postsecondary Aid Entitlement even though the number of clock hours delivered doubled.

FY 01 $\frac{\$3,000,000 \text{ approved budget}}{1,000,000 \text{ total hours}} = \$3.00 \text{ per clock hour}$

 $\$3.00 \text{ per hr} \times 980,000 \text{ PS hrs} = \$2,940,000 \times .85 = \$2,499,000 \text{ Postsecondary Aid Entitlement}$

In FY 02 enrollment decreased and only 300,000 clock hours were generated. The cost per clock hour increased to \$10 per hour, however the Postsecondary Aid Entitlement remains virtually unchanged.

FY 02 $\frac{\$3,000,000}{300,000 \text{ total hours}} = \$10.00 \text{ per clock hour}$

 $\$10.00 \text{ per hr} \times 300,000 \text{ PS hrs} = \$3,000,000 \times .85 = \$2,550,000 \text{ Postsecondary Aid Entitlement}$

NOTE: The above scenario represents the 85-15 formula used prior to the FY05 Block Grant Funding

The NORED Recommendations:

In November 2004, the Board received an independent report from the Northwest Education Research Center (NORED) based in Olympia, Washington, which focused on the challenges facing Kansas' system of higher education. The NORED report contained seven technical education recommendations:

Recommendation 16: We recommend that the Board of Regents consider assuring that technical colleges experience continued state funding at current levels of postsecondary aid and capital outlay assistance for a two-year period, with the assistance phased down to 40 percent of demonstrated unit costs (as approved by the Board of Regents) over the succeeding four years. In this six-year period, these institutions should be given the authority to seek local tax support, either as separate districts or through their county governments, to cover approximately 40 percent of operational costs. Student tuitions should be used to cover the remaining twenty percent of costs. A similar funding phase-out should occur in the case of the area vocational schools programs that have previously merged with community colleges. A six-year transition period, coupled with improvements in community college funding discussed elsewhere, should be sufficient to assure retention of program viability. [Applies to the technical institutes.]

Recommendation 17: Although the area vocational schools are governed by local school boards and have local taxing authority, their system of governance and non-degree status argues for supervision by the Board of Education rather than the Regents, and these institutions should be technical 'schools' directing their services primarily to K-12 students. It also would be possible to consider the AVSs as a separate segment serving predominately adult learners and, to a lesser extent, high school students. In any event, we believe there needs to be a resolution in funding approaches. [Applies to the area vocational schools.]

Recommendation 18: We recommend that consideration be given to the consolidation of the community colleges and postsecondary technical institutions into a single state Community and Technical College system. [Applies to the community and technical colleges.]

Recommendation 19: We recommend that the technical institutions with the potential be unambiguously designated as technical colleges and treated as postsecondary education institutions. District boards electing to retain the technical school under district control should be allowed to do so, but by thusly opting out of the postsecondary system the institutions should be removed from Board of Regents' responsibility. Their state operating funds should come through the K-12 rather than higher education budget process, and these institutions should be technical 'schools,' directing their services primarily to K-12 students. Those that retain postsecondary education status should be designated technical colleges and offer or otherwise provide their students with access to general education courses and associate degrees. [Applies to the technical institutes.]

Recommendation 20: We recommend that those technical institutions that cannot operate in a sustained manner above 400 FTEs either be returned to the K-12 system or merged with the nearest community college. [Applies to some technical institutions.]

Recommendation 21: In order to bring more equity (and adequacy) into funding support for community colleges we believe the funding formula should be revised to include a "high cost" technical education component and remove the three colleges with merged area vocational schools from the 85-15 funding stream. In addition, community college participation in the technical school capital outlay distribution could be ended, and those funds, along with the 85-15 moneys, added to the community college funding base. Short term smoothing in allocations also should be considered to avoid serious program dislocations. [Applies to community and technical colleges]

Recommendation 22: We recommend that the Board work with the Kansas Association of Community College Trustees to address the distribution formula and take into consideration the following suggestions. [Applies to community colleges]:

- *Base lower-division transfer and general education credit hours on a percentage of lower-division costs of the three regional universities.*
- *Identify costs through a cost analysis of a sample of community colleges, including at least one with an incorporated area vocational school, establish cost differentials for low, medium and high cost technical programs and incorporate those differentials into the distribution formula.*
- *In establishing the percentage relationship to the regional universities, attempt to achieve an objective of 40 percent state funds, 40 percent local tax funds and 20 percent student tuition.*
- *Hold any college that is negatively affected harmless over a sufficient transition period.*

What's Next?

The Board made a commitment during its August retreat to focus on a number of issues related to the state's technical education sector. In that effort, and after some initial consultation with an array of technical education leaders, Board staff has produced a working paper that puts a number of important technical education issues on the table and proposes, as a starting point for discussion, some options for how to deal with those issues. Most of the issues and recommendations presented in the working paper relate to the structure of the technical education sector. But, there are clearly funding issues that need to be addressed as well. A cross-sector working group is presently undertaking a comprehensive review of all the mechanisms currently in place for funding all of higher education in Kansas including technical education.

The paper was first distributed to technical sector leaders for their review and consideration. But, because some of what the paper suggests has cross-sector implications, it has also been circulated to community college and public university leaders for their response as well. Over the coming months, we expect institutional leaders to review the paper, discuss it with their respective governing Boards and stakeholders, then present their suggestions and responses to the paper.

We expect to submit a legislative proposal on these important technical education issues no later than the 2007 legislative session.

Madam Chair, again, thank you for the opportunity to provide your Committee with this overview on technical education funding. I would be pleased to answer any questions that you might have.

Kansas Board of Regents

Career and Technical Education Brief

History and Background

Introduction

During the past 42 years, Career and Technical Education (CTE) in Kansas has evolved from a variety of different institutional structures and diverse funding applications. This **Career and Technical Education Brief** is designed to describe the history and background of CTE from the establishment of the two types of area vocational-technical schools in the 1960s, to a period of mergers, and to the creation of technical colleges. The primary focus of the Brief is to provide information on the evolving different institutional structures and funding mechanisms authorized by the Kansas Legislature through different Kansas statutes. The report concludes with recommendations based upon discussions with CTE administrators and a thorough review of "best practices" state structures and funding models.

Early Years

In 1963, the Congress enacted legislation allowing states to create a system of area vocational-technical schools. Kansas passed legislation in 1964 giving local entities the opportunity to establish area vocational-technical schools. At that time, CTE was under the supervision of the Kansas State Board of Education. The law provided for two types of administrative organization. First, an area vocational-technical school could operate under the control of the board of education of the school district, or board of trustees of a community college in which it is located, known as Type I schools. Alternatively, it could be subject to the control of a board consisting of representatives of each of the boards of cooperating school districts known as Type II schools. By the end of 1968, 14 area vocational-technical schools were in operation. Listed below were the schools in existence in 1985.

School	Location	Type of Governance	Board of Control
Central Kansas AVTS	Newton	Type II	Representatives of Cooperating School Districts
Southeast Kansas AVTS	Coffeyville	Type II	Representatives of Cooperating School Districts
Northwest Kansas AVTS	Goodland	Type II	Representatives of Cooperating School Districts
North Central Kansas AVTS	Beloit	Type II	Representatives of Cooperating School Districts
Johnson County AVTS	Olathe	Type II	Representatives of Cooperating School Districts
Kansas City AVTS	Kansas City	Type I	Single School District
Flint Hills AVTS	Emporia	Type I	Single School District
Kaw AVTS	Topeka	Type I	Single School District
Liberal AVTS ^a	Liberal	Type I	Single School District
Manhattan AVTS	Manhattan	Type I	Single School District
Northeast Kansas AVTS	Atchison	Type I	Single School District
Salina AVTS	Salina	Type I	Single School District
Southwest AVTS	Dodge City	Type I	Single School District
Wichita AVTS	Wichita	Type I	Single School District
Cowley County CC/AVTS	Arkansas City	Type I	Community College Board of Trustees
Pratt CC/AVTS	Pratt	Type I	Community College Board of Trustees

^aLiberal AVTS is now Southwest Kansas Area Technical School.

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Mergers

Since 1972, several studies to reorganize postsecondary education have been conducted. Mergers and issues related to governance were two common themes emerging from the early studies. Merger recommendations from the early studies included merging the smaller technical institutions with community colleges (and merging smaller community colleges) to increase the comprehensive range of occupational and academic programs available at two-year institutions. Studies conducted since 1980, with the exception of studies conducted by the Northwest Education Research Center (NORED) have not addressed mergers, although the concept of regional governing boards has been explored. Since 1985, four successful mergers between Community Colleges and Area Vocational-Technical Schools have occurred. Listed below are the Area Vocational-Technical Schools that have merged and are now governed by a Community College Board of Trustees.

School	Community College
Central Kansas AVTS	Hutchinson CC
Southeast Kansas AVTS	Coffeyville CC
Johnson County AVTS	Johnson County CC
Southwest AVTS	Dodge City CC

Emergence of Technical Colleges

In 1994, legislation (K.S.A. 72-4468) was enacted permitting area vocational schools or area vocational-technical schools to be converted to and established as technical colleges. Between 1995 and 2001 six technical schools transitioned to technical colleges with the ability to award associate of applied science degrees. The technical colleges are listed below:

School	Location	College
Northwest Kansas Area Vocational-Technical School	Goodland	Northwest Kansas Technical College
North Central Kansas Area Vocational-Technical School	Beloit/Hays	North Central Kansas Technical College
Flint Hills Area Vocational-Technical School	Emporia	Flint Hills Technical College
Manhattan Area Vocational-Technical School	Manhattan	Manhattan Area Technical College
Northeast Kansas Area Vocational-Technical School	Atchison	Northeast Kansas Technical College
Wichita Area Vocational-Technical School	Wichita	Wichita Area Technical College

It is important to note that not all technical institutions chose to convert to technical college status. These transitions divided the already small sector into three separate groups of institutions, technical schools, technical colleges, and area technical schools governed by trustees of the community colleges. The technical colleges began pursuing higher education status, while the technical schools continued to operate and function as they had in the past.

KBOR Supervision

On July 1, 1999, supervision and coordination of technical colleges, area vocational schools and area vocational-technical schools was transferred from the State Board of Education to the Kansas Board of Regents (K.S.A. 74-32,141). In December, 2002, the Kansas Board of Regents passed a policy requiring all Kansas public degree-granting institutions to be accredited through the Higher Learning Commission of the North Central Association of Colleges and Schools. This accreditation process required significant changes in governance and culture for the technical colleges. To enable the institutions to become accredited, the Kansas Board of Regents supported legislation (K.S.A. 74-4470a) requiring technical colleges to develop and present to the Board of Regents a plan to replace the existing governing board with a new governing board, separate and independent of any board of education of any school district, to operate, control and manage the technical college. All technical colleges submitted transition plans with the exception of Northeast Kansas Technical College. The Board has already decided to pursue Legislation that will require a technical college to revert to a technical school.

Within the transition plans, technical colleges were required to designate territories. The methodology used to identify technical college's territory varied among the institutions as transition plans were developed. For example, one institution designated the territory outlined in the original charter of the school; other colleges used enrollment patterns to determine territories; still others designated territories based on potential future taxing authority. These practices have, in some instances, resulted in overlapping service territories for some technical colleges. In the end, KBOR approved territories for the institutions; however, these decisions appear to have been made in the context of each institution's transition plan, rather than through a system-wide approach to territories (see attached map).

Structure Summary

In 2005, Career and Technical Education consist of the following institutions:

Technical Schools-

- Kansas City Kansas Area Technical School
- KAW Area Technical School
- Salina Area Technical School
- Southwest Kansas Technical School

Technical Colleges-

- Flint Hills Technical College
- Manhattan Area Technical College
- North Central Kansas Technical College
- Northeast Technical College
- Northwest Kansas Technical College
- Wichita Area Technical College

Community Colleges with Area Technical School-

- Coffeyville Community College
- Cowley County Community College
- Dodge City Community College
- Hutchinson Community College
- Johnson County Community College
- Pratt Community College

General Funding Sources

The available sources of funding for technical institutions include state postsecondary aid (K.S.A. 72-4432), student tuition (K.S.A. 72-4433), state capital outlay (K.S.A. 4440), and grants.

Postsecondary Aid

Institutions are entitled to receive postsecondary aid in an amount equal to 85% of the product of the local cost per enrollment hour and total postsecondary enrollment. As reported to the state board, an institution's total operating budget expenditures, less state vocational education capital outlay expenditures, is divided by the total number of instructional hours delivered to all students to ascertain the cost per enrollment hour. This figure is then multiplied by the number of hours of instruction for postsecondary students only, and institutions are entitled to receive 85% of the resulting amount. The remaining 15% comes from tuition charged students attending the institutions.

K.S.A. 72-4430 and K.S.A. 72-4431 require state board approval of each institution's operating budget for postsecondary aid purposes. The distribution of postsecondary aid is made from appropriations with 50% of the estimated entitlement distributed August 1 and the remainder January 1. If the amount appropriated was insufficient to pay-in-full the amount each school is entitled to receive as postsecondary aid as computed by the state board, then the entire amount remaining is prorated among all institutions in proportion to the amount each institution is entitled to receive (K.S.A. 72-4432). In recent years, state appropriations have been insufficient to fund the actual entitlement amounts for these institutions; and as a result, appropriated funds have been disbursed to the institutions based on their pro-rata share of the total entitlement.

Tuition

In 2002, the 15% cap for student tuition was removed, through enactment of K.S.A. 72-4433, allowing institutions to charge differential rates of tuition by program, fixed by each local board and subject to approval of the Kansas Board of Regents, to assist with funding the delivery of high-cost technical programs.

Capital Outlay

Vocational education capital outlay is state financial aid distributed by the state board for the purpose of construction, reconstruction, repair, remodeling, additions to, furnishing and equipping of school buildings, architectural expenses incidental thereto. These resources also support the acquisition of buildings for school purposes and school building sites and the acquisition of equipment (K.S.A. 72-440). The amount of vocational education capital outlay aid for each school was to be determined by the state board on the basis of need and the condition of existing facilities and equipment with payments distributed on payment dates to be determined by the state board (K.S.A. 72-4442). However, in recent years, capital outlay funds have been distributed with each of the 16 institutions (6 technical colleges, 4 technical schools, and 6 community colleges with area technical schools) receiving a base distribution of \$100,000, recognizing the institutional need, regardless of size, and a portion of funds based on clock-hour production.

Current Issues

Of the three types of technical institutions (merged, colleges, and schools), only technical schools continue to be governed by the local/area USD Boards of Education. The recent NORED (2004) study on funding spoke to the issue of governance for the technical schools. NORED (2004) recommends, "District boards electing to retain the technical school under district control should be allowed to do so, but, by thusly opting out of the postsecondary system, the institutions should be removed from Board of Regents responsibility. Their state operating funds should come through the K-12 system rather than higher education budget process, and these institutions should be technical schools directing their services primarily to K-12 students" (pp. 63-64). All technical colleges, with the exception of Northeast Kansas Technical College, have independent governing boards.

Some critical issues in the current system include:

- Wide range of tuition rates
- Variation in governance structures – community college boards of trustees, technical college boards, USD boards
- Program variations – length, cost, content
- Program duplication – technical programs and general education
- Funding – distribution, level and sources
- Facilities

There is a wide variation in the cost of attendance across the institutions. Tuition rates range from \$ 1.39 to \$ 6.60 per clock hour. Program fees, likewise, vary widely among the institutions. Program content and length also varies widely, despite industry efforts to establish common skill requirements/skill standards within specific occupational

areas. For example, the National Automotive Technicians Education Foundation (NATEF) certifies automotive technology and automotive collision repair programs to improve the quality of training offered. While NATEF does not endorse specific curricular materials nor provide instruction, it does set standards for the content of instruction, which includes tasks, tools and equipment, contact hours, and instructor qualifications. Program standards are developed based on National Institute for Automotive Service Excellence (ASE) task lists and are designed to bring training programs to a level at which participants are properly trained for entry level into the industry. Among the technical institutions, one institution's automotive collision repair program is 2,800 clock hours leading to a technical certificate, while another institution offers the same technical certificate and has a program length of 1,080 clock hours. The number of credit hours required for an associate of applied science degree also can vary from 81 credit hours to 62 credit hours for the same program depending on the institution the student is attending. Unfortunately, students entering the workforce from the longer programs earn virtually the same entry salaries as students exiting the shorter program. It is increasingly difficult to justify the significant variance in program length and content when industry promotes standardization, culminating awards (technical certificate/A.A.S. degree) are identical, and beginning salaries for program completers are similar.

A more serious systemic issue is the duplication and alignment of program offerings. Among the technical institutions and community colleges there are 18 Automotive Technology programs and 30 Business Support and Secretarial programs as just two examples of the duplication of technical programs that exist within the current structure. Additionally, the autonomous operation of each institution has the potential to hamper the coordination of academic course offerings among the three sectors of higher education. For example, one technical college works closely with a neighboring community college to offer a sequence of general education coursework as a part of the Associate in Applied Science degree, while other technical colleges plan to offer general education courses without using this type of partnership, resulting in duplication across the system. KBOR General Counsel research and opinion (May 2, 2003) found no statute preventing technical colleges from offering general education courses as part of the Associate in Applied Science degree.

In addition, some technical programs are not aligned with high wage occupations and simply do not provide a sufficient return on investment for the student or the State. These types of programs have been allowed to continue as they were approved before Kansas Board of Regents coordination responsibilities began in 1999.

Currently technical colleges have limited sources for funding. Legislation (K.S.A. 72-4431) entitles technical institutions to receive postsecondary aid each school year in an amount equal to 85% of the product of local cost per enrollment hour and total postsecondary enrollment. Since at least 2000, state appropriations have been insufficient to fund the actual amounts to which these institutions were entitled based on the funding formula. As a result, in recent years appropriated funds were disbursed to the institutions based on their pro-rata share of the total entitlement. The current pro-rata distribution of appropriated funds was established in 2004 and has remained at the same level in 2005 and 2006. This system ignores change in outputs among the institutions. This structure does not provide any incentive for institutions to grow and, in fact, continues to penalize institutions that accept greater enrollments. Although at first glance full funding of the 85% may appear to be a solution, however, full funding would only support the current method of production and continue to limit growth of the institutions.

In addition to operational funding, technical colleges do not have adequate funding to address facilities. Across the State, many institutions have aging facilities and if capacity is to be increased, facilities will need to be expanded and improved.

Finally, NORED (2004) recommended that institutions be funded from multiple sources and not be overly reliant on any single source (p. 19). The study also recommended that institutions not operating in a sustained manner above 400 FTEs either be returned to the K-12 system, or merged with other institutions (p. 64). In addition, NORED recommendations were made to expand the funding sources of technical colleges and the area vocational schools that previously merged with community colleges. The study recommended continued state funding at current levels of postsecondary aid (85%) and capital outlay assistance for a two-year period, with the assistance phased down to

40 percent of the demonstrated unit costs over the succeeding four years. In this six-year period, these institutions should be given authority to seek local tax support, either as separate districts or through county governments, to cover approximately 40 percent of operational costs. Student tuitions would be used to cover the remaining 20 percent of costs.

Recommendations (Options)

Structure (see Appendix A)

In view of the evolution of Kansas technical education since 1963, the institutions that have been created to supply technical education, and the increasingly important future role technical education will play relative to workforce and economic development in Kansas, it may be an appropriate time to reimagine the future of postsecondary technical education and what postsecondary educational institutions are necessary to carry out the Board's mission. In the last several years, the Board has been active in terms of HLC/NCA policy, support of SB 7, and technical education mission policy. Considering the past, present, and future of technical education in Kansas and the recommendations of NORED (2004), staff offers the following options for Board consideration and discussion relative to possible reorganization/restructure of the postsecondary technical education delivery, particularly as it relates to complementing the Regent's vision of a Kansas postsecondary education system.

Technical Schools

- Merge with community colleges, technical colleges, or universities when appropriate or return to KSDE with no access to postsecondary funding. This is consistent with NORED (2004) recommendations.

Advantages of Merging

- Broadened funding base for postsecondary technical education
- Immediate HLC/NCA accreditation for schools merging with a community college or university
- Seamless transfer of courses
- Comprehensive support services
- Increased efficiency in service and delivery (economy of scale)
- Improved stature/image in higher education community
- Board of control focus on postsecondary education
- Successful history of previous mergers

Disadvantages of Merging

- Potential difficulty integrating existing cultures
- Potential loss of identity and marginalization of mission

Advantages of Reverting to KSDE

- Centralized support services with district
- Policies in place
- Identity remains intact
- Access to local taxing authority

Disadvantages of Reverting to KSDE

- Potential loss of postsecondary opportunities in some geographic areas
- Loss of postsecondary aid and capital outlay grant funding for institution

Technical Colleges

- **Option A:** Move from five technical colleges (stand alone) to one consolidated technical college with multiple campuses. Once they are consolidated, it would become one college coordinated through weighted funding and curriculum approval. Technical schools could also be included in this consolidation.

Advantages

- Common state-wide vision and mission for technical college
- Single system of governance
- Unified statewide response to workforce development needs
- Systematic approach alleviates duplication in programming, staffing, and support services.

Disadvantages

- Potential loss of local identity/control

- **Option B:** Merge all technical colleges with community colleges or universities

Advantages

- Efficiency (economy of scale)
- Seamlessness
- Only two sectors for KBOR (govern/coordinate)
- Accreditation solved
- Unified message for postsecondary technical education
- Reduction in the duplication of general education courses

Disadvantages

- Potential loss of local identify/control
- Only partially solves funding/facility issue
- Loss of institutions with sole focus on technical education
- Stricter residency requirements for students

- **Option C:** Support SB 7 and advance legislation granting local taxing authority to technical colleges

Advantages

- May solve funding/facility issue
- Honors progress made toward HLC/NCA by individual technical colleges
- Less intrusive change – easier to implement
- Continues current KBOR direction toward autonomous technical institutions

Disadvantages

- Issues with variance on quality and diversity of program offerings, residency requirements, and tuition costs unresolved
- Service areas for technical institutions vary in size and, in one case overlap, which would hamper imposing a mill levy for these institutions

Funding Issues (See Appendix B & C)

The inequities of technical education funding will not be resolved immediately. Therefore, the section on funding issues is divided into a short-term strategy and long-term recommendation. The short-term strategy can be implemented beginning July 1, 2006 for FY 2007. The long-term recommendation will require close investigation of not only what the potential options are within Kansas, but also to study technical education funding in other "best practices" states.

- **Short-Term Strategy**

To resolve the inequities in the current funding formula for technical institutions, a short-term recommendation to change the current method of allocating funds through a "block grant" methodology to a formula based on a

validated number of postsecondary clock hours of instruction generated from approved courses was approved by the Board. This new formula would use a three-year rolling-average to calculate a baseline. One-third of the correction needed would be implemented in each of the next three years with any new money appropriated applied toward correcting inequities in the former distribution methodology. The short-term strategy will be implemented beginning July 1, 2006 (FY2007).

- **Long-Term Recommendation**

Critical funding issues such as those currently faced by technical institutions require more than a short-term fix. Technical education in Kansas is provided through multiple sectors. Therefore, a sustainable long-term solution to technical education funding should include all applicable higher education sectors as well as an in depth study and discussion of funding models which could be modified to meet the Board's vision for providing technical education in Kansas.

A taskforce comprised of KBOR staff and appointed representatives from community colleges, technical colleges, and business and industry, should be established to thoroughly explore alternative funding models and formulate recommendations to create an adequate and equitable funding methodology to support all technical education by November 2006.

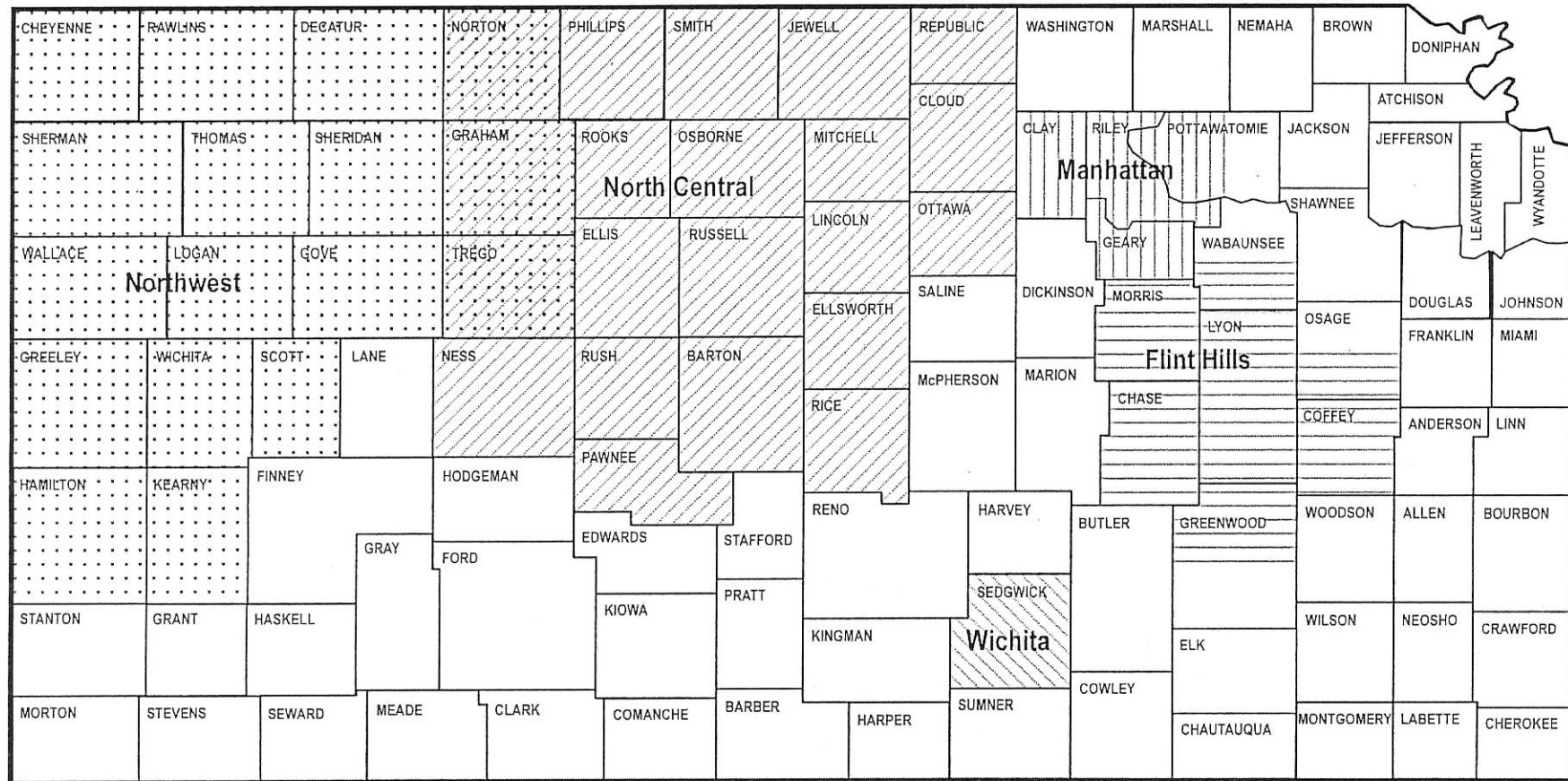
Timeline

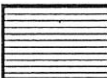
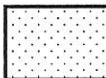
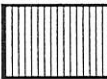
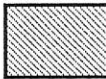

November 2005	<ul style="list-style-type: none"> • Communicate short-term adjustment to postsecondary aid distribution formula
January 2006	<ul style="list-style-type: none"> • Short-term Funding Decision on Board Consent agenda
February 2006	<ul style="list-style-type: none"> • Introduce suggested amendments to K.S.A. 72-4470a allowing technical colleges to revert to technical schools when appropriate
March 2006	<ul style="list-style-type: none"> • Introduce permissive legislation allowing technical schools to move under the jurisdiction of KSDE
July 1, 2006	<ul style="list-style-type: none"> • Implement short-term adjustment to postsecondary aid distribution formula • Clock hour to credit hour conversion complete
November 2006	<ul style="list-style-type: none"> • Communicate and seek KBOR approval for Technical Education Funding Taskforce recommendations
January 2007	<ul style="list-style-type: none"> • Introduce legislation consolidating all technical colleges and remaining technical schools under the governance of KBOR (option A) or merge all technical colleges with community colleges or universities (option B) or support SB 7 and advance legislation granting local taxing authority to technical colleges (option C) selected by KBOR

Technical Colleges Territories

WORKING PAPER
February 8, 2006

1-2



- | | | | |
|---|---|---|---|
|  | Flint Hills Technical College
Emporia |  | Northwest Kansas Technical College
Goodland |
|  | Manhattan Area Technical College
Manhattan |  | Wichita Area Technical College
Wichita |
|  | North Central Kansas Technical College
Beloit | | |

Appendix A

Governance Structures

A review of governance structures and funding models from a number of states with technical college systems is attached to provide additional information and examples for your consideration. Information regarding Wisconsin, Indiana, and South Carolina was obtained through direct conversations with state-level system staff. Information for Arkansas and Georgia was obtained through documents made available for our review. Information regarding other states was obtained through various websites and two SREB publications—"Funding Public Higher Education in the 1990's: *What's happened and where are we going?*" (August, 1999) and "A Primer on Funding of Public Higher Education" (August, 1999)—based on their research and data provided by affiliated states.

- **Governance and Coordination**

Higher education systems in states affiliated with the Southern Regional Education Board (SREB)—Alabama, Arkansas, Delaware, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia—have their own structure for the coordination and governance of postsecondary education institutions. For some states the coordination and governance functions are performed by one state-level board (usually appointed by the governor) and in other states these functions are shared at the state and local levels. In addition, some institutions may also have local advisory boards that formulate recommendations to both local and state level boards. The following chart illustrates the types of functions normally performed by these boards.

Coordinating Board	Mission definition Long-range (master) planning (needs analysis, goals and objectives, evaluation) Policy analysis and problem resolution Academic program review and approval Budget development, funding formula, resource allocation Statewide student financial aid Information and accountability systems Postsecondary school licensing and oversight Statewide projects and initiatives (K-20; endowed chairs; research incentives) Quality assurance Revenue (tuition and fees) guidelines or policies
Governing Board	Appoints campus/multicampus CEO Establishes policies and approves actions related to personnel Ensures fiscal integrity Handles other policy functions, such as coordinating boards and management functions Allocates resources Sets revenue (tuition and fees) policies

The state of Wisconsin currently has two separate systems functioning for higher education. The University and Community College (considered feeder institutions) are governed at the state level by a 16 member Board that is appointed by the Governor and funded through state appropriations and student tuition and fees. The Technical College system is comprised of 16 districts (and 47 campuses) and functions under a shared governance structure. A 13 member state Board of Trustees, appointed by the Governor, is responsible for system policymaking decisions and allocation of state appropriations. Operational functions and management for technical colleges are the responsibility of a 9 member district level Board appointed by County Board chairmen within the district.

The IVY Tech Community College system in Indiana is comprised of 14 regions and governed by a state Board of Trustees appointed by the Governor. This statewide Board is responsible for both policy and operational functions for the system. However, regional Boards of Trustees serve in an advisory capacity making recommendations to the state board pertaining to the needs for each region.

Appendix B

Funding Models

Wisconsin

Funding Sources for Technical Colleges

District property tax (approximately 45%); state appropriations (approximately 25%), student tuition/fees, Federal grant-Perkins

Funding Distribution for Technical Colleges

State aid allocation based on FTE with an equalization index (weighted funding element)

- Revenue and expenses collected at state level by fund and function to arrive net aid-able cost amount
- Equalization factor based on ratio comparing district property valuation per FTE to statewide property valuation per FTE
- Maximum property tax mil rate of 1.5 mil set in statute
- State appropriation allocated to institutions on FTE utilizing the pro rated equalization index
- Legislature may grant additional dollars for critical program areas within the state—ex. Nursing

Indiana

Funding Sources

State aid appropriations and student tuition/fees—No local taxes

State Board has bonding authority for facilities/capital outlay with debt guaranteed against student fees

Funding Distribution

- State aid allocations based on FTE enrollment (funded bi-annually—enrollments may be 2 yrs old)
- State aid used to cover institutional fixed costs (salaries, wages, leases, utilities, etc.)
- Program equipment funded through interest earnings, local foundation fund raising, grants and surplus funds carried over from previous years

South Carolina Technical System

Funding Sources

State aid appropriations, local county appropriations, student tuition/fees, federal grants

Funding Distribution

- Available funds distributed to colleges based on 1) Mission Resource Requirement—MRR, and 2) Performance Indicator measures, each calculated annually
- MRR produces an estimate of funds required for operations for each college by using an 8 step process to produce a base support requirement through calculation of support needs by functional areas:
 1. Instruction (Credit/Non-Credit FTE) and Instructional Costs (Salaries+EmployerShare+Support)
 2. Libraries
 3. Student Services
 4. Physical Plant (funding for 14 colleges is provided through counties; 2 colleges receive state funds for physical plant based on average of actual plant expenditures for the two immediate preceding years)
 5. Administration
 6. Total Educational and General Costs (Sum of amounts in steps 1-5)
 7. Revenue Deduction (E & G cost amounts are reduced by student revenue factor including out-of-state tuition)
 8. State Support Needs Amount—Tech MRR funding = (Total E & G costs – Plant Costs)-Revenue Deduction
- MRR amounts may exceed available funding.
- Operating funds are allocated to each college based on available state appropriations. Total Appropriation = Base Appropriation (prior year) + new appropriations
- Total appropriation is subdivided into the following 5 categories
 1. Priority Initiatives—funds established by the System for central projects to benefit all colleges
 2. Workers' Compensation and Unemployment Compensation Insurance—funds retained to pay State portion of these insurances for the colleges

3. Incentive Pool—funds distributed to colleges based on scores on the performance measures
 4. Improvement Pool—funds designated to support improvement in performance measures for colleges with low performance scores in the previous year
 5. Distribution Base—balance of total appropriations after deduction of funds for Priority Initiatives, Incentive Pool, and Improvement Pool
- Each college's operation allocation is the total of its share of the Base Allocation, Incentive Funding, Improvement Funding, and Plant Allocation, as applicable.
 - Equipment Development Plan—each college develops equipment needs list that includes only equipment for which no other funding source is available. Equipment requests for all colleges are summarized, prioritized at the System level and submitted with the State Budget Request.
 - Equipment allocations are based on each college's percentage of MRR as applied to the available equipment funds

Arkansas (an SREB state)

Funding Sources

State appropriations, student tuition and fees, and local taxes for some institutions

Funding Distribution

- A series of formulas is used to calculate and determine institutional funding needs by expenditure function—five credit hour/FTE-based functions (teaching salaries, academic support, student services, institutional support, and workforce education) and one facility square footage based function (physical plant) to determine a total funding need. Appropriation need is calculated by subtracting tuition and fee income (rates vary based on access to local tax revenue) from the total funding need.
- Expenditure functions not included are: scholarships and fellowships, equipment replacement mandatory transfers for debt service. Equipment expenditures are reported in most expenditure categories and, therefore, represented in the funding cost rates. Debt service, by law, is paid from sources other than state general revenue. Scholarships and fellowships must be paid from local income.

Georgia (an SREB state)

The funding formula is made up of four components: Personnel Services, Operating Expenses, Minor Repair and Renovation (MMR), and Replacement of Obsolete Equipment

- The personnel services component is based on 5 weighted program clusters:
 - General education/Developmental studies
 - Industrial/Science Technologies
 - Business Technologies
 - Health Technologies
 - Public Service Technologies
- This component includes funding for salaries and fringe benefits for faculty, administrators and other personnel at the technical colleges
- Weights established based on the faculty salary cost within each program area and are adjusted annually to accommodate pay raises and other increased personnel costs
- This component of the formula is based on a two-year lag (FY 2003 credit hours generate FY2005 budget)
- The operating expenses component of the formula includes funding for all operating expenses not covered by the personnel services component (utilities, supplies, etc.)
- Funding amounts are based on total square feet of operating space and includes an annual inflationary increase
- The MMR component of the formula deals with minor, non-recurring repairs and renovations such as re-roofing or roof replacement, painting, re-carpeting, etc.
- Funding amounts are based on total square footage of facilities and an established replacement cost per square foot that includes an annual adjustment for inflation
- The replacement of obsolete equipment is based on an allocation per full-time equivalent student with an annual inflationary increase. The annual equipment allocation is made to maintain the high caliber instructional equipment required to meet today's skill standards. Current rate is \$131 per FTE.

FUNDING FORMULAS (Information provided by SREB)

States use formulas to promote equity in allocations and to minimize political influences. Funding formulas are used to determine institutional financial needs, document policy decisions, and minimize annual debate. Most formulas actually consist of several formulas—usually some combination of the following common functions for various expenditures:

- **instruction**—usually different funding rates by field of study and level of courses;
- **organized research**—either a percentage of instruction or an amount that matches incentive funds;
- **public service**—either a percentage of instruction, a certain amount per continuing-education unit, or an amount that matches incentive funds;
- **libraries and other academic support (such as audiovisual services and academic computing support)**—either a percentage of instruction or a percentage of the budget for a subset of program offerings;
- **student services**—an amount based on the number of students;
- **general administrative support**—a percentage of instruction; and
- **plant operation and maintenance**—a certain amount per gross square foot or per acre (utilities may be separate)

Information on best practices or accreditation standards, such as student-to-faculty ratios, often is used in deriving and implementing a formula. Regional or national averages for relationships among functions are also often used.

- The 10 SREB states with funding formulas use them differently. In some cases, the formulas are used only to generate the request, and in other cases they are used only in the allocation phase.
- No two states are alike. In some states budget decisions are made based on exclusively using mathematical formulas. Other states make budget decisions only by justifying incremental increases while yet other states make budget decisions using a combination of formula calculations and justification of incremental increases.

Formulas for instruction

The two of the most common funding methods for instruction utilize a "dollars per unit" and/or "student-to-faculty ratio times salary rates" calculation. In the dollars-per-unit methods, specific amounts are usually assigned to student clock/credit-hours or full-time-equivalent (FTE) enrollment. Different amounts are assigned to different types of clock/credit-hours or FTE generated. In student-to-faculty-ratio methods, clock/credit-hours or FTE are used to arrive at the number of instructional positions needed for an institution. This calculation is based on predetermined student-to-faculty ratios. The number of positions needed then is multiplied by agreed-upon salary averages or goals as part of the budget request.

Formulas for Support Programs

Formulas to support programs are as varied as instructional formulas. As defined by several accounting guides for colleges and universities, the four major support programs are:

- **academic support**—the library, academic computing, academic administration and similar functions;
- **student services**—admissions and registrar, student financial aid, student life and related programs;
- **institutional support**—executive management, business office operations, public relations and other campus wide support activities; and
- **operation and maintenance of plant**—janitorial services, grounds keeping, utility costs and minor repairs and maintenance.

Some states have one or more formulas for each support function; others combine two or more support programs into one formula.

- Two SREB states—Oklahoma and West Virginia—do not use distinct formulas for support programs. They instead include funds for these services in the instruction calculation. At the other of the spectrum, Arkansas, Florida, and Tennessee each have five separate formulas to span the support areas.
- Several states have a separate library formula and then combine the rest of the academic support with institutional support. This approach often follows the guidelines of the Association of College and Research Librarians. More broadly based formulas for academic support typically are a dollar rate per student or percentage of instruction.
- Unlike formulas for other expenditures, formulas for student services normally use head count numbers as opposed to the number of clock/credit hours or FTE enrollments. A formula for student services also is likely to be a dollar rate per student or percentage of instruction.

Nonformula Approaches

- Nonformula states typically rely on incremental budgeting, with the "base budget" as the starting point. In other words, each college's current budget is assumed to be available for the next year's operation, along with any approved adjustments.

- Several types of adjustments use quantitative analyses to determine the amount of new funds needed. For example, a governor or legislature recommends a 3% salary increase for all state employees, and the dollar amount needed is determined by multiplying current salary commitments by 3%. Budget adjustments for workload changes caused by enrollment growth may be determined quantitatively by dividing the current instructional budget by the current number of students and then adding funding for additional students at the average rate.
- Other types of budget adjustments rely on individual justification of programs or on some other subjective judgment. For instance, a college may request funds to open an off-campus center in an underserved area in order to increase student access to higher learning. A college or state system may request new funds to buy more equipment. In these cases, state-level budget decisions focus on a proposal's overall merit and the costs in the college's request.

Appendix C

(From SREB "Primer on Funding of Public Higher Education")

Guiding Principles for Funding Models

Listed below, in no particular order, are 12 guiding principles that identify and clarify several potentially confusing issues of how state funding for colleges and universities is obtained and distributed. Because some principles can counteract each other, a funding method needs to achieve a reasonable balance among all the principles if it is to be widely accepted. For example, the desire for simplicity must be weighed against the demand for equity. Similarly, responsiveness to changing conditions must be measured against stability in funding.

A funding method for public colleges and universities should:

- **Be based on the state goals for postsecondary education.** A funding method should incorporate and reinforce the broad goals (such as access and quality) of the state's system. These goals often are expressed through approved master plans, quality expectations and performance standards.
- **Be sensitive to the colleges' different missions.** A funding method should recognize that different institutional missions require different per-student funding. Different rates of funding often are attributed to differences in degree levels, program offerings, students' readiness for college, and geographic location. The funding model should include different rates when these mission-related costs are significant and can be documented.
- **Provide adequate funding.** While no method can guarantee adequate funding, it should focus on determining how much funding each institution needs to fulfill its approved mission.
- **Provide incentives for or reward performance.** A funding method should provide incentives for institutional effectiveness and efficiency. The design at least should prohibit institutions from having unnecessarily high administrative overhead. The incentives offered should be appropriate. For example, a funding method should not emphasize growth at the expense of quality, develop costly programs without documented demand for them, or substitute temporary for permanent faculty.
- **Appropriately recognize size-to-cost relationships.** Any funding method for higher education needs to recognize the number of students to be served by each institution. It also should recognize that, because smaller enrollment at smaller institutions prevents an economy of scale, administrative support programs at these institutions require a base level of funding above what might be an acceptable percentage at a larger school.
- **Be responsive to changing demand.** A funding method should respond to changes in the costs encountered by institutions. Such changes include increases or decreases in institutional workloads (such as growing enrollment or new building to maintain), expanded missions, or changes in external conditions (such as inflation, market competition, and health and safety requirements).
- **Provide reasonably stable funding.** A funding method should ensure a degree of funding stability for the institutions. College officials need a reasonable level of stability in order to develop effective plans for serving state needs. A funding method should not permit sudden increases or decreases in funding without giving college administrators adequate time to respond.
- **Be simple to understand.** A funding method should communicate effectively to key participants in the state budget process how changes in institutional characteristics (such as enrollment levels and program offerings) and in budget policies will affect funding. If all participants do not understand the funding method and how it deals with changing conditions, they become frustrated and question the funding process's integrity.
- **Fund colleges and universities equitable.** A funding method should provide equal funding for equal institutions based on size, mission, and growth. The funding model also should treat dissimilar situations—such as different missions, sizes, and growth rates—differently and fairly.
- **Make provisions for funding special-purpose units.** Beyond recognizing the typical differences of institutional missions, funding methods should provide state funding for some institutions' unique and costly activities.
- **Use valid, reliable data.** To accomplish its other objectives, a funding method must rely on data regarding the numbers and types of students to be served, the competitive market for faculty and staff, and differences in class sizes across fields of instruction and levels of study. Data should measure differences in funding requirements, and third parties should be able to verify the data.
- **Allow administrative flexibility in spending funds.** A funding method should estimate funding requirements in broad categories but should not control budgets. College administrators should have flexibility in allocating funds if they are expected to achieve top performance using available resources.



KANSAS BOARD OF REGENTS

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To: Senator Jean Schodorf, Chair
Senate Education Committee

Senator Janis Lee, Ranking Member
Senate Education Committee

Cc: Members, Senate Education Committee

From: Kip Peterson *KP*
Director of Government Relations & Communications

Date: February 7, 2006

Re: K.S.A. 76-731a

You recently requested data pertaining to the number of students who have enrolled at public higher education institutions under the provisions of K.S.A. 76-731a. This statute, which was approved by the Kansas Legislature as House Bill 2145 during the 2004 legislative session, addresses "certain persons without lawful immigration status deemed residents for purpose of tuition and fees." That data is attached for your review.

Please let me know if I can be of any additional assistance.

Senate Education Committee
2-8-06
Attachment 3

Schodorf
241-E

KANSAS - Number of Students Enrolled Under the Provisions of K.S.A. 76-731a

Note: Data Self-Reported By Institution

<u>Public Higher Education Institutions (36 total)</u>	<u>Academic Semester</u>	
	<i>Fall 2004</i>	<i>Fall 2005</i>
Universities (7)	7	35
Community Colleges (19)	30	181
Technical Colleges (6)	0	4
Technical Schools (4)	0	1
Total:	37	221

Note: K.S.A. 76-731a became law July 1, 2004.

Institutions	Academic Semester	
	Fall 2004	Fall 2005
Emporia State University	0	4
Fort Hays State University	1	1
Kansas State University	3	4
Pittsburg State University	0	1
University of Kansas & KUMC	2	4
Washburn University	0	0
Wichita State University	1	21
University Total:	7	35
Allen County Community College		0
Barton County Community College		3
Butler County Community College		14
Cloud County Community College		0
Coffeyville Community College		4
Colby Community College		0
Cowley County Community College		2
Dodge City Community College		0
Fort Scott Community College		0
Garden City Community College		5
Highland Community College		0
Hutchinson Community College		2
Independence Community College		0
Johnson County Community College		51
Kansas City KS Community College		4
Labette Community College		0
Neosho County Community College		1
Pratt Community College		1
Seward County Community College		94
Community College Total:	30	181
Flint Hills Technical College		3
Manhattan Area Technical College		0
North Central KS Technical College		0
Northeast KS Technical College		0
Northwest KS Technical College		0
Wichita Area Technical College		1
Technical College Total:	0	4
Kansas City KS Area Technical School		1
Kaw Area Technical School		0
Salina Area Technical School		0
Southwest Area Technical School		0
Technical School Total:	0	1
TOTAL:	37	221

The University of Kansas

Office of the Executive Vice Chancellor for
External Affairs

February 8, 2006

The Honorable Jean Schodorf
Chairman
Senate Education Committee
Room 241 - E
Topeka, KS 66612

Dear Chairman Schodorf:

The University of Kansas appreciates the Senate Education Committee's review of SB 332.

KU's goal in seeking enactment of SB 332 is to obtain broader authority to purchase insurance for items that in our judgment warrant it. As KU testified last week, the University currently does not have the ability to purchase insurance to cover certain equipment and research operations under state law. Where KU is required or specifically authorized to purchase insurance, it has done so through the Committee on Surety Bonds and Insurance and has done so for several decades.

We appreciate the Committee directing the Revisor's Office to assist in drafting an amendment that achieves our legislative goal. A copy of the Revisor's balloon amendment is attached for your review. Likewise, we have communicated with the Department of Administration. It is our understanding they have draft balloon amendments. It is KU's position that these amendments and the Revisor's amendment do not thwart our legislative goal, and we will leave it to the Committee's prerogative to address them as it sees fit.

We appreciate your consideration of KU's comments on SB332.

Sincerely,



Paul Carttar
Executive Vice Chancellor for External Affairs

cc: Members of the Senate Education Committee

Senate Education Committee

4-2

1 thority may purchase liability insurance covering all or any part of its
 2 operations and may purchase liability and related insurance upon all ve-
 3 hicles owned or operated by the authority independent of the committee
 4 on surety bonds and insurance and such insurance may be purchased
 5 without complying with K.S.A. 75-3738 to 75-3744, inclusive, and amend-
 6 ments thereto. Any board of county commissioners may purchase such
 7 insurance or health care services, independent of such committee, for
 8 district court officers and employees any part of whose total salary is
 9 payable by the county. Nothing in any other provision of the laws of this
 10 state shall be construed as prohibiting members of the highway patrol so
 11 assigned to police toll or turnpike facilities from receiving compensation
 12 in the form of insurance or health maintenance organization coverage as
 13 herein authorized.

14 (c) The agencies of the state sponsoring a foster grandparent or senior
 15 companion program, or both, shall procure a policy of accident, personal
 16 liability and excess automobile liability insurance insuring volunteers par-
 17 ticipating in such programs against loss in accordance with specifications
 18 of federal grant guidelines. Such agencies may purchase such policy of
 19 insurance independent of the committee on surety bonds and insurance
 20 and without complying with K.S.A. 75-3738 to 75-3744, inclusive, and
 21 amendments thereto.

22 (d) *Any postsecondary educational institution as defined by K.S.A.*
 23 *74-3201b, and amendments thereto, may purchase insurance of any kind*
 24 *or nature except employee health insurance. Such insurance may be pur-*
 25 *chased independent of the committee on surety bonds and insurance and*
 26 *without complying with K.S.A. 75-3738 through 75-3744, and amend-*
 27 *ments thereto.* ✓

28 Sec. 2. K.S.A. 75-4101 is hereby repealed.

29 Sec. 3. This act shall take effect and be in force from and after its
 30 publication in the statute book.

Such insurance shall be purchased from an insurance company authorized to transact business in the state of Kansas.