

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairman Dwayne Umbarger at 10:35 A.M. on March 21, 2006, in Room 123-S of the Capitol.

All members were present.

Committee staff present:

Jill Wolters, Revisor of Statutes Office
Michael Corrigan, Revisor of Statutes Office
Alan Conroy, Director, Kansas Legislative Research Department
J. G. Scott, Kansas Legislative Research Department
Reagan Cussimano, Kansas Legislative Research Department
Amy Deckard, Kansas Legislative Research Department
Audrey Dunkel, Kansas Legislative Research Department
Debra Hollon, Kansas Legislative Research Department
Judy Bromich, Chief of Staff
Mary Shaw, Committee Secretary

Conferees appearing before the committee:

Reginald Robinson, President and CEO, Kansas Board of Regents
Ed Heptig, Director of Maintenance, Kansas State University
Trudy Aron, Executive Director, American Institute of Architects
Karl Peterjohn, Executive Director, Kansas Taxpayers Network
Alan Cobb, Americans for Prosperity Kansas
Rich Hoffman, President, Kaw Area Technical School Director
Mary Ellen Conlee, Wichita Area Technical College
Mark Desetti, Kansas National Education Association
Kenneth A. Clouse, President, Northwest Kansas Technical College (written)

Others attending:

See attached list.

Bill Introductions

Senator Wysong moved, with a second by Senator Morris, to introduce a bill concerning additional property, income and sales and use taxes (5rs2334). Motion carried on a voice vote. Senator Morris explained that this is the tax bill for the Senate Leadership School Plan.

Senator Schmidt moved, with a second by Senator Betts, to introduce a bill concerning creating the joint committee on bioscience oversight (5rs2332). Motion carried on a voice vote.

Chairman Umbarger opened the public hearing on:

SB 586--Statewide mill levy increase and sales tax increase for building and facility maintenance at state educational institutions

Staff briefed the Committee on the bill and information was provided on the Regent's Proposal on the Deferred Maintenance (Attachment 1).

The Chairman welcomed the following conferees:

Reginald Robinson, President and CEO, Kansas Board of Regents, testified in support of **SB 586** (Attachment 2). Mr. Robinson distributed information regarding Deferred Maintenance/Annual Maintenance Funding Plan (Attachment 3). He explained that the state university deferred maintenance is a growing and dangerous problem on the six state university campuses. Mr. Robinson addressed the issue of deferred maintenance, the Crumbling Classrooms Initiative of 1996, the Board's Comprehensive Facilities Audit (Summer 2004), Legislative Post Audit (July 2005) and the Board's Comprehensive Funding Plan (**SB 586**). In closing, Mr.

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Robinson mentioned that the Board certainly appreciates the Committee's serious consideration of this issue that only grows more expensive the longer it is ignored.

Ed Heptig, Director of Maintenance, Kansas State University, testified in support of **SB 586** (Attachment 4). Mr. Heptig provided information on Kansas State University and photos that were taken from the 2002 Legislative Biennial Tour. He noted that this is a constant maintenance struggle and that new buildings also need maintenance.

Trudy Aron, Executive Director, American Institute of Architects, spoke in support of **SB 586** (Attachment 5). Ms. Aron explained that the Board of Regents is in need of funding for the maintenance, modernization and increased energy efficiency of their buildings. She noted that this bill could keep the Regent's buildings in good repair, help reduce the cost of energy and modernize them to meet today's needs as well as tomorrow's.

Karl Peterjohn, Executive Director, Kansas Taxpayers Network, testified in opposition to **SB 586** (Attachment 6). Mr. Peterjohn mentioned that the bill would create a sales tax temporary rate that would never go down. He also provided information regarding various comparisons with other states in his written testimony.

Alan Cobb, Americans for Prosperity, spoke in opposition to **SB 586** (Attachment 7). Mr. Cobb explained that the overall tax burden in Kansas is already relatively high and continues to place Kansas in an uncompetitive position, particularly compared to the region and neighbor states. In his written testimony, Mr. Cobb provided detailed information regarding Kansas Property Tax, Kansas Higher Education spending and the Kansas Economy.

There being no further conferees to come before the Committee, the Chairman closed the public hearing on **SB 586**.

The Chairman opened the public hearing on:

SB 588--Establishing the Kansas technical college and vocational education school commission

Staff briefed the Committee on the bill.

Chairman Umbarger welcomed the following conferees:

Reginald Robinson, President and CEO, Kansas Board of Regents, testified in support of **SB 588** (Attachment 8). Mr. Robinson explained that the bill would establish a seven-member Kansas Technical College and Vocational Education School Commission. He noted that this Commission would provide an important opportunity for the Board of Regents to advance its effort to produce meaningful reforms to the state's post-secondary technical education sector and they are pleased to support this proposal.

Rich Hoffman, President, Kaw Area Technical School Director, spoke in support of **SB 588** (Attachment 9). Mr. Hoffman explained that the Kansas Association of Technical Schools and Colleges supports the bill and the appointment of a commission to study the governance and funding of technical education in Kansas. He noted that their Board asks for consideration of two amendments to the bill:

- *(5) two members of the commission shall be appointed by The Kansas Association of Technical Schools and Colleges. One member shall be a Technical School Director and one member shall be a Technical College President; and,*
- *(3) one member represented by business and industry, shall be a person selected by the Governor who shall serve as chairperson of the committee; and*

Mary Ellen Conlee, representing the Wichita Area Technical College (WATC), testified in support of **SB 588** (Attachment 10). Ms. Conlee explained that they support the creation of the Kansas Technical College and Vocational Education School Commission as proposed in the bill, and supports the additional members

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proposed by the Kansas Association of Technical Schools and Colleges. Ms. Conlee noted that if WATC is to be successful as an independently governed and North Central accredited technical college, it needs answers to funding issues and other governance issues as soon as possible. In closing, she noted that they fully support **SB 588** and believe that its two reporting periods of January 2007 and January 2008 are essential.

Mark Desetti, Kansas National Education Association, testified as a neutral conferee on **SB 588** (Attachment 11). Mr. Desetti explained that technical schools and colleges have issues they have to contend with and noted that there has been a serious lack of communication among all the stakeholder groups and the one group most left in the dark has been the instructional staff. He noted that the KNEA asks consideration of adding a representative of the instructional staff to serve on the Commission.

Written testimony was submitted by Kenneth A. Clouse, President of Northwest Technical College (Attachment 12).

There being no further conferees to appear before the Committee, the Chairman closed the public hearing on **SB 588**.

Senator Emler moved, with a second by Senator Kelly, to amend SB 588 to add that staffing of the Commission would include Legislative Administrative Services and others as directed by Legislative Coordinating Council. Motion carried on a voice vote.

The Chairman asked the Committee to consider the amendments proposed by Mr. Hoffman and that he would consider working **SB 588** at a future date.

The meeting adjourned at 12:10 p.m. The next meeting was scheduled for March 22, 2006.

**SENATE WAYS AND MEANS
GUEST LIST**

Date March 21, 2006

NAME	REPRESENTING
<i>[Signature]</i>	Budget
<i>[Signature]</i>	DOB
Cheri Froetscher	DOB
ALAN COBB	AFP
Karl Peterjohn	KS Taxpayers Network
ERIC Sexton	W SU
ADAM	ADT
Lindsey Douglas	Hein Law Firm
MARK BORTNER K	CAPITOL STRATEGIOS
JOHN DOUGHERTY	ESU
Ray Hawk	ESU
Jim Modig	KU-DCM
Keith Kent	KU
MARK DEBETT	KNEA
Kevin Belt	KNEA
JACK WILLIAMSON	KNEA
Richard Hoffman	KATSC
Clark Coco	KATSC
Judy Aron	Am Inst of Architects Ks
TERRY FORTYTH	KNEA

Senate Bill 586
Regents Proposal on Deferred Maintenance

Provisions of SB 586

- Current one mill statewide property tax levy continued for state university building maintenance and Crumbling Classrooms debt service
- \$150 million in bonds to be issued over the course of three fiscal years to be used for deferred maintenance
- 1/10 of one cent sales tax to sunset in FY 2016 to be used for deferred maintenance
- Additional one mill statewide property tax levy beginning in Calendar Year 2006 to be used for annual maintenance and debt service of the bonds
- Require a commitment by the universities to try to obtain private funds for the ongoing annual maintenance of buildings constructed using private funds
- Require an annual report to the Joint Committee on State Building Construction on the progress made on the backlog of deferred maintenance

Elements of Regents Proposal not in SB 586

- Revise the allocation process for Educational Building Fund moneys so that the age and complexity of the buildings are considered

Additional Revenue:

<u>Fiscal Year</u>	<u>Sales Tax</u>	<u>One Mill Property Tax</u>	<u>Total Additional Revenue</u>
FY 2007	\$ 34,106,417	\$ 30,783,673	\$ 64,890,090
FY 2008	42,010,000	32,045,515	74,055,515
FY 2009	43,480,000	33,205,327	76,685,327
FY 2010	45,002,000	34,409,161	79,411,161
FY 2011	46,577,000	35,657,065	82,234,065

Plus: \$150.0 million in bonds issued over three fiscal years



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**Senate Ways & Means Committee
March 21, 2006**

Testimony in Support of Senate Bill 586

**Reginald L. Robinson
President and CEO**

Good morning Chairman Umbarger, Ranking Member Barone, and Members of the Committee. I am pleased to appear before you this morning to testify in support of Senate Bill 586. As you may know, this legislation embodies the state university deferred maintenance proposal that was adopted by the Board of Regents in November.

Members of this Committee are well aware of this growing and dangerous problem on the campuses of our six state universities. It is a problem that any homeowner across the state can relate to, and it is a problem that you, as state legislators, can directly relate to as the deferred maintenance problems of the building in which you work, the Statehouse, are now being addressed after years of neglect. The state university buildings and the Statehouse, all buildings that are owned by Kansas taxpayers, face the same problem – a problem that only gets more expensive the longer it is ignored.

The Issue:

Important maintenance needs on the six state university campuses have simply been deferred due to a lack of state funding. The universities now face a daunting and increasingly dangerous maintenance backlog of \$584 million that continues to grow. To prevent further backlog, \$74 million per year is required, without factoring inflation, to adequately maintain the university campuses. Only \$15 million was available in fiscal year 2006. If this problem is not addressed, today's deferred maintenance backlog of \$584 million will grow to nearly \$800 million by fiscal year 2014.

It is important to note that this deferred maintenance problem is not unique to Kansas. Nationwide deferred maintenance backlog estimates vary from \$26 billion, which is acknowledged to be conservative, to over \$50 billion.

The Crumbling Classrooms Initiative (1996):

In 1996, the Legislature authorized the issuance of revenue bonds to finance, in part, the Board of Regents "Crumbling Classrooms" initiative. The Senate unanimously endorsed the project and 124 of the 125 House members voted in favor.

*Senate Ways and Means
03-21-06
Attachment 2*

The Board of Regents initiative documented the need for \$288.3 million in capital improvement needs. The booklet "Of Aging Campuses & Crumbling Classrooms" published in October, 1994 was broadly distributed. Specific categories included:

Americans with Disabilities Act Compliance	\$21.7 million	7.5%
State Fire Marshal Fire Code Requirements	\$9.1 million	3.2%
Rehabilitation & Repair Projects	\$161.0 million	55.8%
Improve Classrooms	\$15.2 million	5.3%
Major Remodeling of Existing Buildings	\$49.8 million	17.3%
New Construction	<u>\$31.5 million</u>	<u>10.9%</u>
Total	\$288.3 million	100%

At the May 16, 1996, Board of Regents meeting, Warren Corman, Director of Facilities, reported that during the course of the legislation, the requested amount of \$288.3 million was reduced to \$163.6 million or 56.7% of the amount requested. The \$163.6 million was the estimated amount that could be financed with \$15 million per year from the Educational Building Fund (EBF), over a 15- year period. Three line items in the initial request were maintained at or near their original level: ADA Compliance, State Fire Marshal Fire Code Requirements, and Improving Classrooms.

The New Construction category was reduced by 12.5% to \$28 million. The three projects in this category were an Addition to Murphy Hall at the KU Lawrence campus, Additions to the KSU Science/Engineering Complex and a new Nurse Education Building at the KU Medical Center that replaced a deteriorated Hinch Hall. The added square footage from these three projects was less than 250,000 gross square feet.

Since the "Crumbling Classrooms" funding did not wholly fund the projects in the Major Repair of Existing Buildings and New Construction categories, the campuses were advised to seek additional non-state funding sources, reduce the size and budget for the projects, or a combination of the two. The Medical Center contributed \$1.3 million in private funds for the Nurse Education Building. The Lawrence campus reduced the scope of the Murphy Hall Addition project, and \$2.0 million was raised for the J.R. Pearson Renovation.

The Rehabilitation and Repair category received the most severe reductions, from \$161.0 million to \$39.4 million; a reduction of 75.5%.

The budget conforming to the revised (\$163.6 million) budget follows:

Americans with Disabilities Act Compliance	\$21.7 million	13.3%
State Fire Marshal Fire Code Requirements	\$9.3 million	5.7%
Rehabilitation & Repair Projects	\$43.3 million	26.4%
Improve Classrooms	\$16.6 million	10.1%
Major Remodeling of Existing Buildings	\$44.6 million	27.3%
New Construction	<u>\$28.1 million</u>	<u>17.2%</u>
Total	\$163.6 million	100%

Two bond series were sold, the first in November 1996 and the second in November 1997. Favorable interest rates at the time of sale along with arbitrage rebates, and subsequent refinancing at even better interest rates, resulted in a final budget of approximately \$178.6 million. Following is a breakdown:

Americans with Disabilities Act Compliance	\$20.5 million	11.5%
State Fire Marshal Fire Code Requirements	\$11.8 million	6.6%
Rehabilitation & Repair Projects	\$40.8 million	22.8%
Improve Classrooms	\$22.2 million	12.4%
Major Remodeling of Existing Buildings	\$52.1 million	29.2%
New Construction	<u>\$31.2 million</u>	<u>17.5%</u>
Total	\$178.6 million	100%

The majority of projects were completed over a five-year period. Throughout this time, the Board of Regents received and reviewed monthly spreadsheets from the campuses outlining encumbrances, expenditures, budget changes and other data by building and category. Approximately every quarter, the Board of Regents office and the Council of University Business Officers, met with Kansas Development Finance Authority officials to review the project status and to ensure that all bond requirements were being met.

The legislative Joint Committee on State Building Construction was advised and consulted each time the budget changed due to changes in interest rates, arbitrage rebates, or refinancing.

Literally, hundreds of projects of various size and scope were completed within a five-year period. The “Crumbling Classrooms” bond initiative was a success by any measure. Commitments to provide ADA compliance, life safety measures and upgraded classrooms were met. The major renovations of several major buildings were completed, and needed new space to meet the teaching mission of the universities was added. It may be useful to note that during the five-year period that the bond initiative covered, over 2 million gross square feet of academic/administrative space was added to the university campuses - as stated earlier, less than 250,000 g.s.f. of that growth was funded by “Crumbling Classrooms”.

It is also noteworthy that in 2001, the Legislature broke its long-standing commitment/practice of providing funding for utilities, custodial and maintenance staff, and supplies to support new building space. Since 2002, universities have absorbed costs related to the support for new buildings which currently stands at approximately \$4.7 million annually. This is money that would have otherwise gone into the classroom.

While the 1996 “Crumbling Classrooms” initiative did provide a much-needed band-aid, this initiative did not provide new state dollars for maintenance. The initiative essentially charged building repairs to a credit card whose balance will not be paid off until the year 2012.

The Board's Comprehensive Facilities Audit (Summer 2004):

At the suggestion of the State Legislature's Joint Committee on State Building Construction, a committee that has had a longstanding interest in this important issue, the Board conducted a comprehensive facilities audit which was performed by Board staff and a private facilities management consultant. The study resulted in a *Report on State University Deferred Maintenance and Capital Renewal* that was submitted to the Legislature in 2004. The report outlined important maintenance needs on the six state university campuses that have been deferred due to a lack of state funding and identified the maintenance backlog of \$584 million that continues to grow.

Again, to prevent further backlog, \$74 million per year is required, without factoring inflation, to adequately maintain the university campuses. Only \$15 million was available in fiscal year 2006. If this problem is not addressed, today's deferred maintenance backlog of \$584 million will grow to nearly \$800 million by fiscal year 2014.

The 2004 report notes that the primary factors leading to the current state of deferred maintenance is a lack of funding coupled with the age of the buildings. Eighty percent of the total building inventory is at least 20 years old. Heating, ventilation, electrical and plumbing systems, if they have not already been replaced, are either worn out or are about to wear out. This isn't because they haven't been maintained; it is simply because the systems have reached the end of their useful life. The average lifecycle of the components that make up buildings is 23 years – an issue that any homeowner can identify with.

Two out of every three buildings that the State of Kansas owns can be found on the six state university campuses. The 537 educational and general buildings studied in the Board's 2004 report exclude auxiliary facilities such as residence halls, student unions and parking garages. These 537 buildings represent 20 million square feet that are sited on 2,250 maintained acres. To put this amount of space into perspective, 20 million square feet is the equivalent of 350 football fields. The replacement value of these buildings, including utilities and infrastructure, is \$3.9 billion. The valuable infrastructure we are fortunate to have in place must be properly maintained. Any homeowner knows that routine maintenance and repairs only get more expensive the longer they are put off.

The maintenance backlog on the six state university campuses is as follows:

Kansas State University	\$209.4 million
The University of Kansas	\$168.5 million
The University of Kansas Medical Center	\$68.8 million
Pittsburg State University	\$39.8 million
Fort Hays State University	\$35.2 million
Wichita State University	\$33.9 million
Emporia State University	\$28.9 million

Legislative Post Audit (July 2005):

In July 2005, the Legislative Division of Post Audit submitted a performance audit entitled *Regents Institutions: Reviewing Proposals for Increased Maintenance Funding at the State's Colleges and Universities*. The audit, which focused on the Legislature's 1996 "Crumbling Classrooms" initiative and the Board's 2004 facilities report, essentially echoed what the Board, many state legislators, and the Joint Building Committee in particular have said for years, that a dangerous maintenance backlog exists on our state university campuses.

An important conclusion of this audit is that the 1996 "Crumbling Classrooms" initiative, which provided an important short-term funding solution, did not represent new state funding. As the audit notes, this initiative allowed the Board of Regents to borrow money from an existing statewide property tax levy, the Educational Building Fund (EBF). While the initiative provided a short-term remedy, borrowing from the EBF, which will continue through fiscal year 2012, has significantly reduced the amount available for ongoing building maintenance. In addition, the audit highlights the fact that even with the benefit of "Crumbling Classrooms," nearly ten years later many of the same buildings addressed through that effort now require major repair or rehabilitation. The audit also concluded that the Board's 2004 report, which identified a critical maintenance backlog of \$584 million, likely underestimated the total cost of the deferred maintenance problem.

While the 1996 "Crumbling Classrooms" initiative did provide a much-needed band-aid, Post Audit pointed out that the initiative did not provide new state dollars for maintenance. The initiative essentially charged building repairs to a credit card whose balance won't be paid off until the year 2012.

The Board's Comprehensive Funding Plan (SB 586):

In November 2005, the Board adopted a comprehensive plan to address the growing deferred maintenance backlog and to protect valuable state assets worth almost \$4 billion. This multi-pronged approach includes a temporary sales tax increase, a bond issue, an increase in the statewide Educational Building Fund mill levy, and new campus administrative practices that will alleviate future maintenance obligations. This comprehensive plan is now embodied in Senate Bill 586. The legislation contains the funding components, and, if the legislation is approved, the Board can address the administrative pieces through Board policy. The Board certainly recognizes the difficulties this proposal faces, but we are encouraged by the fact that many legislators are concerned and increasingly interested in this growing problem.

The long-term funding plan, which was developed at the request of the State Legislature by the Board's Fiscal Affairs and Audit Committee, contains five key components:

- 1) New Building Accountability. Existing building space that may be vacated due to the construction of new buildings will be more thoroughly analyzed before new construction is approved.

- 2) Building Fund Allocations. Today, building fund allocation is based solely on gross square footage. In the future, funding distributions would take into account the age and complexity of the buildings.
- 3) Commitment to New Building Operating Costs. The state universities would commit to funding the annual maintenance and operation costs for new privately-funded buildings.
- 4) Eliminate the Current Deferred Maintenance Backlog. The current \$584 million deferred maintenance backlog would be eliminated through a \$150 million bond issue, with the debt serviced from the statewide Educational Building Fund (EBF), and a 1/10 of a cent sales tax increase that would sunset after ten years.
- 5) Guarantee Annual Building Maintenance. \$74 million is required each year to adequately maintain the university campuses. A permanent 1-mill increase to the existing statewide EBF would provide guaranteed funding for annual maintenance.

To put the EBF increase and the temporary sales tax into perspective:

- According to the Kansas Legislative Research Department, a one-mill property tax increase on an “average,” or \$150,000 home, amounts to an extra \$17.25 per year. \$17.25 per year equates to \$1.44 per month, or \$0.33 per week, or not quite \$0.05 per day.
- According to the Kansas Department of Revenue, a 1/10 of one-cent sales tax increase means, per capita, that each Kansan would pay an extra \$14.81 per year. \$14.81 per year equates to \$1.23 per month, or \$0.28 per week, or \$0.04 per day.

The Kansas taxpayers’ valuable investment in our state university campuses could essentially be protected for the price of a cup of coffee each month.

In Conclusion:

To borrow a quote from Senate President Steve Morris, that appeared in *The Topeka Capital-Journal* in November 2005:

“We would not tolerate those kinds of conditions in our K-12 facilities. Some of these problems have life-safety issues.”

In July 2005, the Board’s Chairwoman, Donna Shank of Liberal, in a letter to the editor that was printed statewide, very accurately summarized this important issue when she stated:

“Routine maintenance projects aren’t exciting and they don’t generate bold newspaper headlines. However, any homeowner knows that routine maintenance and repairs only get more expensive the longer they are put off. Hard working

Kansans and their families expect their investments to be protected and they expect a high quality higher education system that will prepare them to compete in the global 21st Century economy. The important assets found on our state university campuses must be protected. Duct tape can no longer fix this growing problem.”

Mr. Chairman, again, thank you for the opportunity to appear before you this morning. The Board certainly appreciates this Committee’s serious consideration of this important issue – an issue that only grows more expensive the longer it is ignored.

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'It was a freak deal'

Two workers injured when steam pipe bursts in Yates Hall

GREG GRISOLANO
 Collegio Reporter

Two Physical Plant employees were hospitalized late Wednesday afternoon when the steam pipe they were working on in Yates Hall burst. Plumbers John Foster and Melvin Krainz both received burns and were

transported to Mt. Carmel Regional Medical Center. Foster was reported in good condition and was released Wednesday evening. Krainz was in fair condition and remained in the hospital for the night.

*Jack Freeman,
 plumbing supervisor*

Jack Freeman, plumbing supervisor, was

working with Foster, Krainz and another plumber, Joe Sullivan, on the steam pipe in the basement of Yates when the accident occurred.

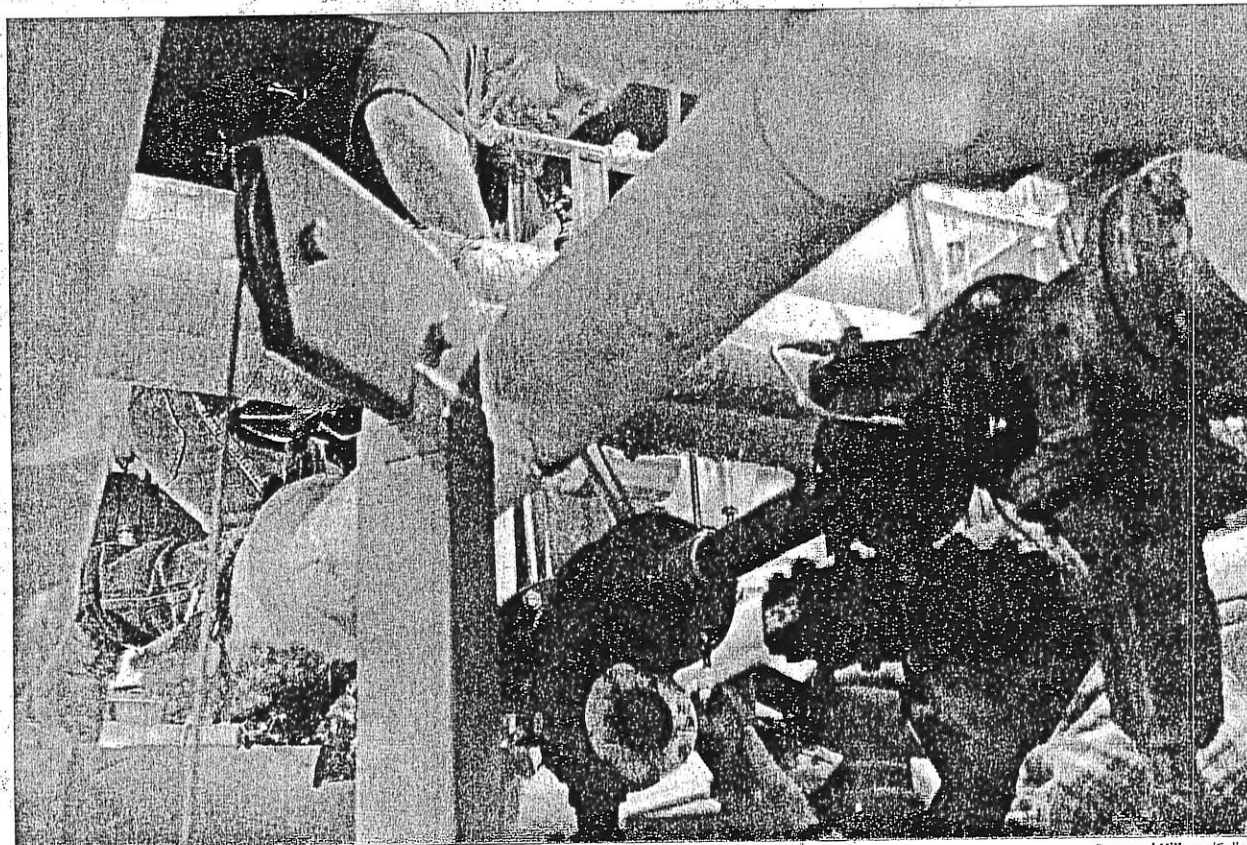
The men were installing a new cast-iron valve on the pipe when it unexpectedly burst on them, blasting hot steam on the group.

"We were working on this end of it, tightening bolts, and the valve just came apart," he said. "In 40 years of plumbing, I've never seen that happen."

Freeman and other Physical Plant employees worked throughout the rest of the afternoon and evening to repair the pipe and restore heat and hot water to Yates Hall.

University officials will conduct an investigation to determine the exact cause of the pipe failure.

"This was a freak deal," Freeman said. "It wasn't a manmade deal, it was a freak deal."



Raymond Hillegas/Collegio

Bob Scott, top, along with another Physical Plant employee, works on repairing a section of piping in Yates Hall. On Wednesday afternoon a valve disintegrated, injuring two Physical Plant employees.

Deferred Maintenance/Annual Maintenance Funding Plan

Sample Ways and Means
 03-21-06
 Attachment 3

Fiscal Year	Annual Income (in millions)				Annual Expenses (in millions)					
	Current 1-Mil Levy	Proposed 1-Mil Levy	Proposed 1/10¢ Sales Tax	Total Revenues	Debt Service on Crumbling Classrooms	Debt Service on \$150 M Bond	Annual Maintenance	Insurance Premium	Deferred Maintenance	Total Expenses
2007	30.2	15.1	20.0	65.3	15.0	5.0	29.9	0.37	15.0	65.3
2008	30.8	30.8	40.8	102.4	15.0	5.0	37.0	0.38	45.0	102.4
2009	31.4	31.4	41.6	104.5	15.0	5.0	34.1	0.38	50.0	104.5
2010	32.0	32.0	42.4	106.5	15.0	5.0	29.2	0.39	57.0	106.5
2011	32.7	32.7	43.3	108.7	15.0	5.0	31.3	0.40	57.0	108.7
2012	33.3	33.3	44.2	110.8	15.0	5.0	33.4	0.41	57.0	110.8
2013	34.0	34.0	45.0	113.1		20.0	35.7	0.42	57.0	113.1
2014	34.7	34.7	45.9	115.3		20.0	37.9	0.43	57.0	115.3
2015	35.4	35.4	46.9	117.6		20.0	40.2	0.43	57.0	117.6
2016	36.1	36.1	23.9	96.1		20.0	17.0	0.44	58.6	96.1
2017	36.8	36.8		73.6		20.0	53.2	0.45		73.6
2018	37.5	37.5		75.1		20.0	54.6	0.46		75.1
2019	38.3	38.3		76.6		20.0	56.1	0.47		76.6
2020	39.1	39.1		78.1		20.0	57.7	0.48		78.1
2021	39.8	39.8		79.7		20.0	59.2	0.49		79.7
2022	40.6	40.6		81.3		20.0	60.8	0.50		81.3
Totals	562.9	547.8	394.1	1,504.8	90.0	230.0	667.3	6.9	510.6	1,504.8

Fiscal Year
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
2022
Totals

Deferred Maintenance Balances (in millions)				
Backlog	Bonds	Annual Spending ¹	Balance	
598.6	50	15.0	533.6	
546.9	50	45.0	451.9	
463.2	50	50.0	363.2	
372.3		57.0	315.3	
323.2		57.0	266.2	
272.9		57.0	215.9	
221.3		57.0	164.3	
168.4		57.0	111.4	
114.1		57.0	57.1	
58.6		58.6	0.0	
	150.0	510.6		

Annual Maintenance Expenditures (in millions)				
University Operating Budgets	Educational Building Fund	Total	Amount we should be spending ²	Annual Surplus/ (Deficit)
38.8	29.9	68.7	75.9	(7.2)
39.5	37.0	76.6	77.7	(1.2)
40.3	34.1	74.4	79.7	(5.3)
41.1	29.2	70.3	81.7	(11.4)
42.0	31.3	73.2	83.7	(10.5)
42.8	33.4	76.2	85.8	(9.6)
43.7	35.7	79.3	88.0	(8.7)
44.5	37.9	82.4	90.2	(7.7)
45.4	40.2	85.6	92.4	(6.8)
46.3	17.0	63.4	94.7	(31.4)
47.2	53.2	100.4	97.1	3.3
48.2	54.6	102.8	99.5	3.3
49.2	56.1	105.3	102.0	3.3
50.1	57.7	107.8	104.6	3.2
51.1	59.2	110.4	107.2	3.2
52.2	60.8	113.0	109.9	3.1
722.5	667.3	1,389.8	1,470.0	-80.2

¹The Fall 2004 "Report on State University Deferred Maintenance and Capital Renewal", identified a \$584 million backlog of deferred maintenance. The above tables have assumed a 2.5% annual inflation rate.

²The Fall 2004 "Report on State University Deferred Maintenance and Capital Renewal", identified an annual need of \$74 million to maintain the physical plant adequately. The above tables have assumed a 2.5% annual inflation rate.

Kansas State University



Presentation to Senate Ways and Means Committee

March 21, 2006

Ed Heptig
Director of Maintenance
Kansas State University

Senate Ways and Means
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Attachment

KANSAS STATE UNIVERSITY

Total Buildings KSU Maintains Across Kansas:	408	
Total Buildings Square Feet	5,740,660	Sq. Ft.
Total Buildings Replacement Cost	\$1.2	Billion

KSU Manhattan / Vet. Med. Campus	602	Acres
KSU Salina Campus	66	Acres
Roofs	70	Acres
Sidewalks	27.5	Miles
Streets	10.6	Miles
Curbs	21.2	Miles
Parking Lot Lighting	460	Fixtures
Walk Lighting	500	Fixtures
Power Plant Boilers	7	Units
Power Plant Chillers	7	Units
Building Chillers	21	Units
Window Air Conditioners	1200	Units
Central Air Conditioning Units	320	Units
Steam Tunnels	3.6	Miles
Steam Pipe	7.3	Miles
Condensate Pipe	3.9	Miles
Chilled Water Pipe	2.5	Miles
Natural Gas Pipe	10.7	Miles
Buried High Voltage Electrical Lines	23.8	Miles

Buildings Built Through the Years

1863-1900

ANDERSON HALL, FAIRCHILD HALL, HOLTZ HALL, KEDZIE HALL, SEATON COURT

1900-1920

CALVIN HALL, DICKENS HALL, FACILITIES GROUNDS, HOLTON HALL, LEASURE HALL, NICHOLS HALL

1921-1940

BURT HALL, MEMORIAL STADIUM, FARRELL LIBRARY, POWER PLANT, SEATON HALL, THOMPSON HALL, WATERS HALL, WATERS ANNEX, WEST STADIUM, WILLARD HALL

1941-1960

32 Buildings

1961-1980

19 Buildings

1981-2002

18 Buildings

4160 Electrical Service at the Power Plant



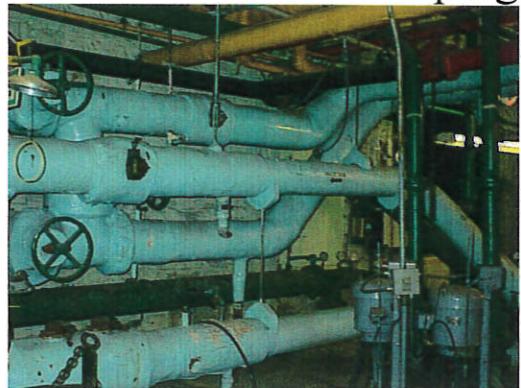
4160 Distribution



Steam Distribution



Chilled Water Piping



Roads



Sidewalks



Curbs



Stairs



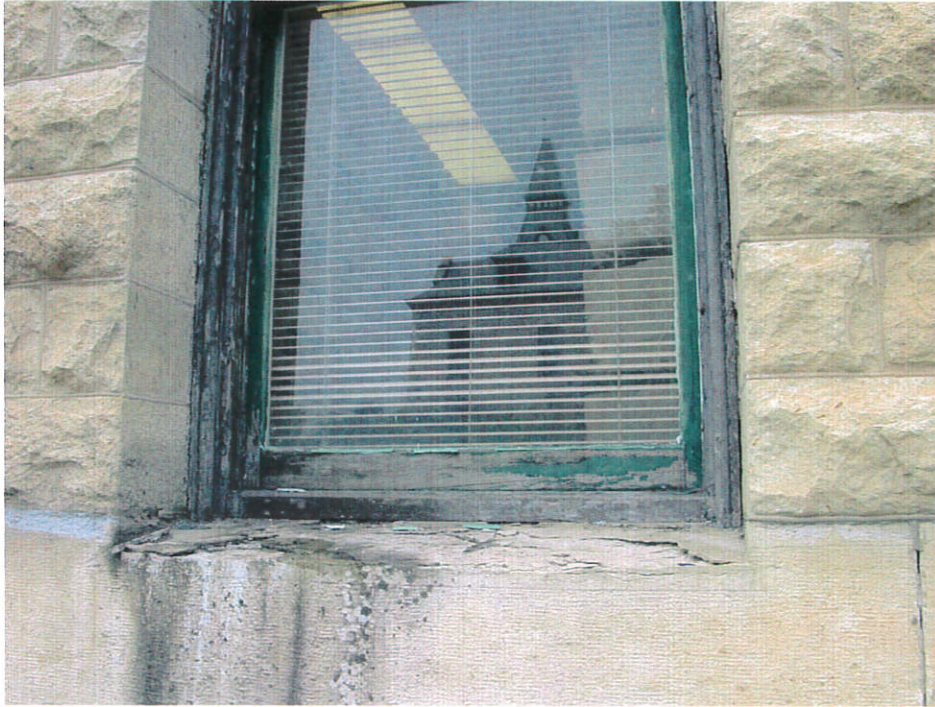
Nichols Hall Exterior Spalling



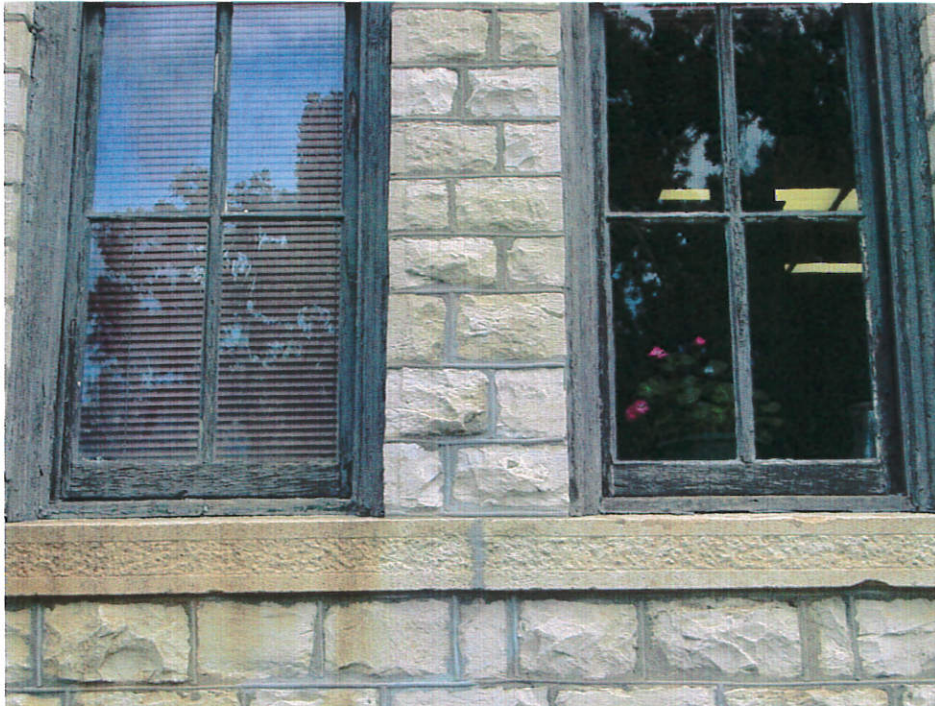
West Stadium Awning Covers to protect from rocks that spall



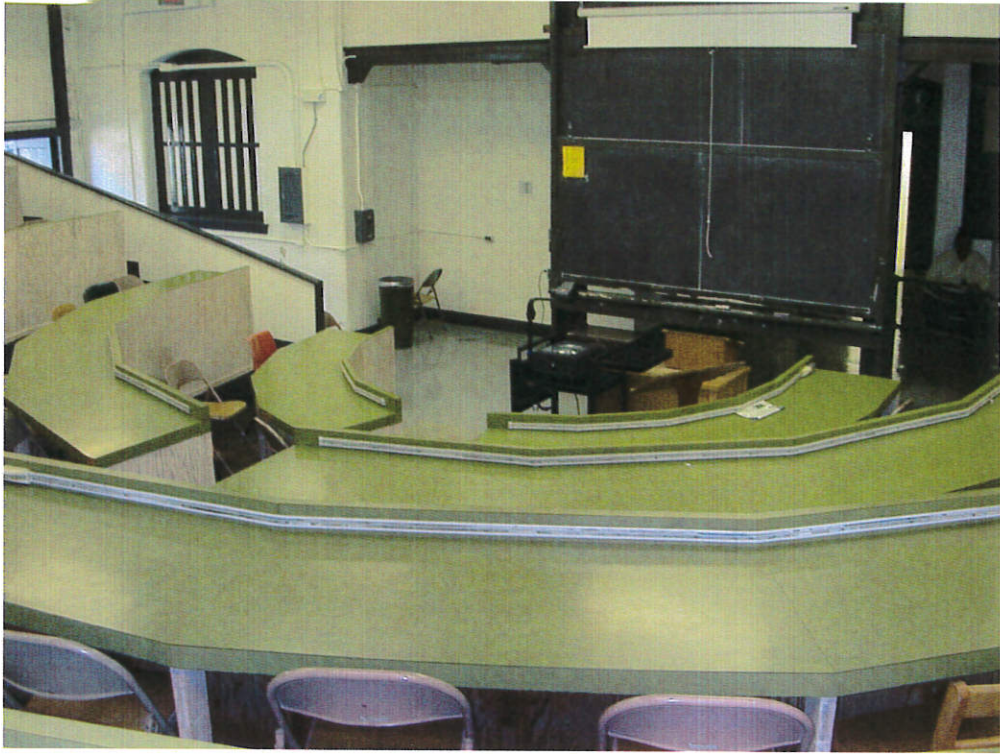
Fairchild Windows



Anderson Hall Windows



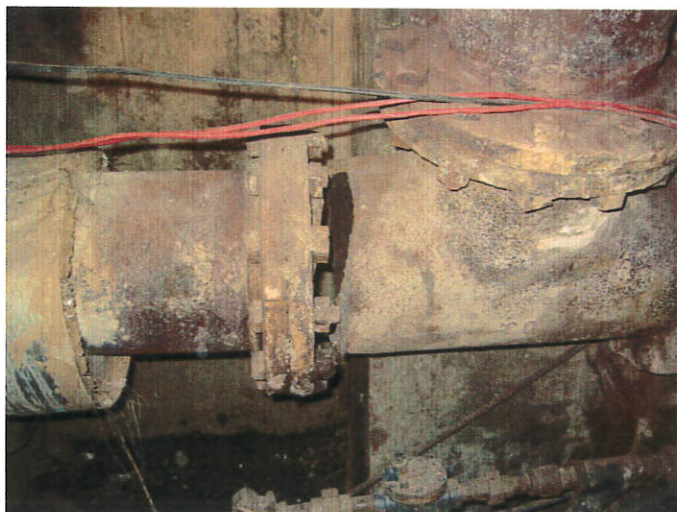
Leasure Hall Room 13 Classroom



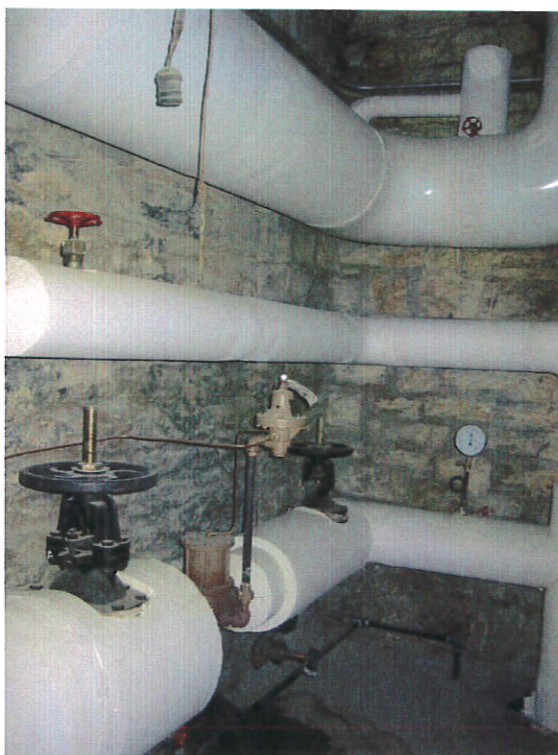
Seaton Court Roof



2005 Steam Tunnel Steam Line Break



2006 Chevron Energy Bond Steam Line Replacement



March 21, 2006



TO: Senator Umbarger and Members of the Senate Ways and Means Committee

FROM: Trudy Aron, Executive Director

RE: Support of SB 586

Senator Umbarger and Members of the Committee, I am Trudy Aron, Executive Director, of the American Institute of Architects in Kansas (AIA Kansas.) I am here to testify in support of SB 586.

AIA Kansas is a statewide association of architects and intern architects. Most of our 700 members work in over 120 private practice architectural firms designing a variety of project types for both public and private clients. The rest of our members work in industry, government and education where many manage the facilities of their employers and hire private practice firms to design new buildings and to renovate or remodel existing buildings.

- The Board of Regents is in need of funding for the maintenance, modernization and increased energy efficiency of their buildings. Kansas spends millions of dollars on the design and construction of new State buildings. However, the State often defers the maintenance and upkeep of these buildings until the cost of those repairs greatly exceed what they would if performed in a routine manner.

You and I know that if we do not take care of our investments – be they buildings, vehicles, or other costly items - they will not last, they cost us more to keep running and they are worth less when we no longer want them. This bill could help us keep our Regent's buildings in good repair, help us reduce the cost of energy, and modernize them to meet todays needs as well as tomorrows.

We also hope this funding source for Regents projects will allow more dollars to flow for the maintenance, modernization and increased energy efficiency of other state buildings.

Thank you for allowing me to testify this afternoon. I would be happy to answer any questions you might have.

President

Jan Burgess, AIA
Derby

President Elect

Douglas R. Cook, AIA
Lenexa

Secretary

C. Stan Peterson, AIA
Topeka

Treasurer

Michael G. Mayo, AIA
Manhattan

Directors

Jenifer Cain, Assoc. AIA
Wichita

Mark Franzen, AIA
Overland Park

John Gaunt, FAIA
Lawrence

Chad P. Glenn, AIA
Wichita

Gary Grimes
Topeka

David S. Heit, AIA
Topeka

Josh Hermann, AIA
Wichita

Craig W. Lofton, AIA
Salina

Don I. Norton, P.E.
Wichita

Wendy Ornelas, FAIA
Manhattan

J. Michael Rice
Wichita

David Sachs, AIA
Manhattan

Andrew D. Steffes, AIA
McPherson

Daniel (Terry) Tevis, AIA
Lenexa

J. Michael Vieux, AIA
Leavenworth

Nadia Zhiri, AIA
Lawrence

Executive Director

Trudy Aron, Hon. AIA, CAE

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KANSAS TAXPAYERS NETWORK

web: www.kansastaxpayers.com

P.O. Box 20050
Wichita, KS 67208
March 22, 2006

316-684-0082
Fax 316-684-7527

Testimony Opposing SB 586

By Karl Peterjohn, Executive Director

Kansas already has high property and sales taxes. SB 586 would make this situation worse by raising both the statewide property tax and the state sales tax. Following in the odious 2002 statewide sales tax hike SB 586 would once again engage in a fiscal "bait 'n switch" by supposedly "temporarily" raising the sales tax rate .1 cent. This tax increase would ignore the fact that Kansas already has the highest rate in our region for states that tax groceries. If groceries are ignored only Nebraska has a higher rate at 5.5 percent at the state level. These figures exclude local sales taxes that create additional rate variance.

Enclosed with this testimony is a comparison of how Kansas has high property taxes. This month the appraisers are increasing property taxes automatically through the appraisal process. Sadly, this legislature has not done anything to address the growing payments made in state and local property taxes in this state. Since 1999 the statewide mill levy has been 21.5 mills. In these eight years the amount of tax revenue that has been collected from a single mill has grown dramatically and the latest figures I have seen indicate that this amount is roughly \$25 million per mill.

No elected official at the state or local level has had to cast any difficult votes to get to spend the additional revenue that a flat mill levy creates in an environment when appraisal hikes are soaring. In Oklahoma there is a cap of five percent a year on existing property to stop the appraiser from serving as the appointed official raising property taxes. In states like California under their progressive Proposition 13 the cap on increases is even tighter at two percent per year.

Proponents for this tax hike come from the over funded Regents Institutions. I say over-funded because six figure salaries and five digit annual pay hikes have become commonplace among the top officials at Kansas state Regents Institutions. The most recent salary figure for Bob Hemingway at K.U. is now well over \$300,000 a year and this figure excludes his free housing and a variety of other perks.

The 2005 edition of "50 State Comparisons" reported that state tax appropriations for higher education in Kansas were well above the U.S. average and the second highest in our five state region. This Illinois State University data (http://coe.ilstu.edu/grapevine/tables5_05.htm) for 2005 reported that Kansas was already 13th highest among all 50 states in per capita spending and 22 percent above the U.S. average. Here's the data:

<u>State</u>	<u>Per \$1000 PI</u>		<u>Per Capita</u>
	<u>Amount</u>	<u>Per Capita</u>	<u>Rank</u> (1 spends most, 50 spends least)
Kansas	\$8.58	\$261.68	13
Colorado	\$3.59	\$128.55	48
Missouri	\$4.99	\$149.69	46
Nebraska	\$9.29	\$289.35	7
Oklahoma	\$7.84	\$216.20	26
U.S. Avg.	\$6.59		

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KANSAS NEEDS A VISION

Before we start talking about where we want to go we need to know where we are right now.

HOW DO WE MEASURE UP?

This state needs to know where we stand. We hear about worldwide competition today, but we don't even measure ourselves with our immediate neighbors. Kansas has a lot going for it. Most importantly, it's a good place to raise a family. Yet there are a lot of problems. Businesses, jobs, and people are leaving this state because of high taxes and spending. Look at some grim data comparing Kansas with our neighbors:

	<u>Kansas</u>	<u>Colorado</u>	<u>Missouri</u>	<u>Nebraska</u>	<u>Oklahoma</u>
Maximum Personal Income Tax Rate	6.45%	4.63%	6.0%	6.68%^	6.65% 6.25 in 2006
State Sales Tax Rate	5.3%*	2.9%	4.225%**	5.5%	4.5%*
Commercial Property Tax (Effective Rate)	2.69%***	2.07%	2.06%	1.82%	1.07%
Residential Property Tax (Effective Rate)	1.25%	0.66%	1.04%	1.80%	0.97%
Gasoline Tax Per Gallon	.24	.22	.17	24.6****	.16
State Tax Collections Per Capita 2002	\$1,775	\$1,549	\$1,535	\$1,735	\$1,738
State & Local Employees (per 10,000 residents 2000)	635	535	535	629	576
Per pupil public school spending 2002*****	\$8,262	\$7,453	\$7,395	\$7,336	\$6,681

* No exemption for groceries; ** state grocery rate 1.0%

*** Source Kansas Inc., "Business Taxes and Costs..." 2003. Property taxation is measured as a percent of the property's appraised annual value for both commercial and residential property.

**** Nebraska adjusts rate for inflation every six months, all gasoline tax data from Tax Foundation.

***** Statistical Abstract of U.S.:2003, p. 169, chart 255.

State Tax Collection Per Capita, Tax Foundation Special Report, March, 2004.

^ 2003 Nebraska state personal income tax rate

State & Local Employees data, TNI 50 State Comparison, 2002, Census Dept. data.

**Kansas Taxpayers Network, www.kansastaxpayers.com
P.O. Box 20050, Wichita, KS 67208**

KANSAS PROPERTY

TAXES ARE BAD!

HOW BAD? READ ON!

Kansans have largely been disenfranchised when it comes to tax hikes. In Missouri, Colorado, and Oklahoma the politicians have to get voter approval before taxes and bonds can be raised. That's not true in Kansas where property taxes are commonly raised two ways, by higher mill levies and appraisal hikes. Kansas voters seldom can vote on raising property taxes, or any state tax hikes either.

Kansas property taxes are high. This fits in a state that has no limits on raising property tax millage or limits on appraisals. Overall, Kansas state taxes are the second highest in our five state region according to the most recent federal government tax data (see federal government web site: www.census.gov/govs/statetax/03staxrank.html). Here's the state's most recent property tax data taken from Kansas Inc.'s report, "Business Taxes and Costs: A Cross State Comparison 2003 Update," page 72-3.

<i>Kansas</i>		<u>Effective Tax Rate</u>
Statewide	Residential	1.25%
"	Commercial/Industrial	2.69%
Metro	Residential	1.23%
"	Commercial/Industrial	2.66%
Non Metro	Residential	1.27%
"	Commercial/Industrial	2.76%
<i>Colorado</i>		
Statewide	Residential	0.66%
"	Commercial/Industrial	2.07%
Metro	Residential	0.72%
"	Commercial/Industrial	2.26%
Non Metro	Residential	0.49%
"	Commercial/Industrial	1.55%

(OVER)

		<u>Effective Tax Rate</u>
<i>Missouri</i>		
Statewide	Residential	1.04%
"	Commercial/Industrial	2.06%
Metro	Residential	1.13%
"	Commercial/Industrial	2.27%
Non Metro	Residential	0.80%
"	Commercial/Industrial	1.48%
<i>Nebraska</i>		
Statewide	Residential	1.80%
"	Commercial/Industrial	1.82%
Metro	Residential (2001 data)	1.87%
"	Commercial/Industrial(2001 data)	1.90%
Non Metro	Residential (2001 data)	1.65%
"	Commercial/Industrial(2001 data)	1.68%
<i>Oklahoma</i>		
Statewide	Residential	0.97%
"	Commercial/Industrial	1.07%
Metro	Residential	1.07%
"	Commercial/Industrial	1.17%
Non Metro	Residential	0.83%
"	Commercial/Industrial	0.92%

Voters get to decide tax hikes in three of the states in this region. Only Kansas and Nebraska do not. It is no surprise that Kansas and Nebraska have higher property taxes.

Taxpayers are protected in Colorado, Missouri, and Oklahoma by tax and or spending lids that limit government growth. Why not Kansas? We can't afford to continue to be the **high tax point on the prairie!**

KANSAS TAXPAYERS NETWORK

P.O. Box 20050

Wichita, KS 67208

www.kansastaxpayers.com

316-684-0082



AMERICANS FOR PROSPERITY

K A N S A S

Mr. Chairman and members of the committee,

I am Alan Cobb, representing the more than 5,000 Kansas members of Americans for Prosperity. We oppose SB 586.

Our overall tax burden in Kansas is already relatively high and continues to place us in an uncompetitive position, particularly compared to our region and neighbors.

Kansas Property Tax

- Kansas' property tax : Above average nationally and regionally
 - According to a study by the non-partisan Tax Foundation, Kansas' property tax was the 22nd highest in the nation.
- Border States in order from lowest to highest property tax.
(Oklahoma (47th) - Missouri (37th) - Colorado (25th) - Kansas (22nd)
Nebraska (15th)
- To put this into perspective, total state/local property tax collections per person in Kansas is 219% higher than in Oklahoma and 136% higher than Missouri (Source : Dept. of Commerce, Bureau of Census and the Tax Foundation).
- Only one state in or west of the Rocky Mountains has a higher property tax than Kansas (Washington). High property tax states are geographically eastern dominated (Source: Dept. of Commerce, Bureau of Census and the Tax Foundation).

Kansas Higher Ed Spending

- Kansas allocates a higher percent of its budget to higher education than the national average. (Source: KS Governor's Budget Report 2007 & Rockefeller Institute of Government)
 - Kansas: 14.5% of All Funds Budget (tuition not included) to Higher Ed. (17.4% with tuition)
 - National Average 10.8%
- Kansas Funding 14.5% vs. 10.8% contributes an additional \$26,125,700 to higher education.
- Kansas ranks 8th highest in higher education spending per capita (National Center for Public Policy and Higher Education)
- Kansas ranks 8th highest (tied) in higher education spending as a percent of personal income

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The Kansas Economy

Gross State Product Growth Rank* (Rank : 1 best - 51 worst):

- 43rd (1984-2004).....43% below the national average.
- 30th (1994-2004)
- 38th (2000-2004)
- 39th (2003-2004)

*Bureau of Economic Analysis

Job Growth

Kansas employment peaked in January 2001 and has since lost 17,100 jobs. During this same time, government employment increased by 5,700 jobs. (Bureau of Labor Statistics)

Over the last ten years, if Kansas' job growth rate equaled that of the United States, Kansas would have 61,000 more jobs and an additional \$2.1 billion payroll. (Janet Harrah "Measuring Economic Performance for the 50 States and DC" Wichita State University)

Personal Income Growth*

- 43rd (1984-2004)
- 41st (1994-2004)
- 43rd (2000-2004)
- 45th (2003-2004)

*Bureau of Economic Analysis

Personal Income per Capita Growth*

- 46TH (1984-2004)
- 38TH (1994-2004)
- 29th (2000-2004)
- 40th (2003-2004)

*Bureau of Economic Analysis

Per capita personal income has not equaled that of the US since 1982. (Janet Harrah "Measuring Economic Performance for the 50 State and DC" Wichita State University").



KANSAS BOARD OF REGENTS

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www.kansasregents.org

**Senate Ways and Means Committee
March 21, 2006**

Testimony Regarding Senate Bill 588

**Reginald L. Robinson, President and CEO
Kansas Board of Regents**

Good Morning, Mr. Chairman and Members of the Committee. I am pleased to be with you today on behalf of the Board of Regents to offer our views regarding Senate Bill 588, legislation that would establish a seven-member Kansas Technical College and Vocational Education School Commission. Because this Commission would provide an important opportunity for the Board of Regents to advance its effort to produce meaningful reforms to the state's postsecondary technical education sector, we are pleased to support this proposal.

As many Members of this Committee know, the Board of Regents is currently in the middle of its own study and assessment of the how the delivery of technical education in Kansas is structured and funded. The Board has been particularly interested in technical education issues for a number of years. But during its August 2005 retreat, the Board placed review of the technical education sector among its top priorities for the current fiscal year.

After a series of initial conversations with technical education leaders that began a couple of years ago, the Board's staff produced a "Working Paper" that chronicles the development of the state's technical education sector and proposes a variety of suggestions for reform. The distribution of the Working Paper has triggered a remarkably vigorous and healthy set of discussions around the state regarding the future of the technical education sector in particular, and the delivery of technical education generally. My sense is that these discussions have been inclusive, productive and long overdue.

I say the discussions are overdue because one of the things that becomes clear to anyone who takes the time to review how our technical education sector came to be structured as it is currently structured, reveals that the current structure is more the product of a series of ad hoc decisions, and not at all reflective of any deliberate or comprehensive determination to put in place a coherent or fully rational design. It is important to note, in this regard, that during the state's last comprehensive consideration of postsecondary education issues (the consideration and enactment of the Higher Education Coordination Act of 1999 – Senate Bill 345) the technical education sector was not woven into that consideration in the same way that other sectors were. Given all of that history, the time has come to produce a rational design for the

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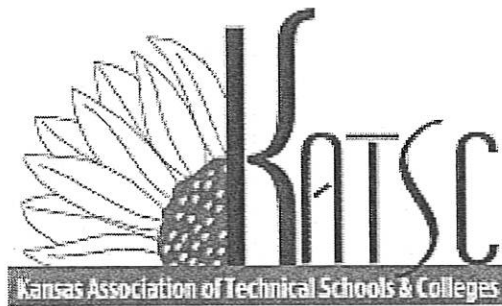
state's technical education sector, and the Board is pleased to be working currently with technical education leaders and other critical stakeholders to achieve that result.

If the Board believed that the creation of the Commission proposed by this legislation would disrupt the process it currently has underway, then this proposal would certainly give us pause. We believe instead, however, that this Commission creates a meaningful opportunity for the Board to advance and subject to important review the recommendations that it will adopt in this area. My hope is that by the time the Commission convenes, the Board of Regents could have for the Commission's consideration, a set of recommendations that could serve as the starting point for the Commission's work.

In conclusion, Mr. Chairman, I would like to offer a couple of thoughts. First, I think the proposal for a seven-member Commission is a good one, size-wise. A seven-member group is large enough to ensure that key stakeholders are represented, yet small enough to constitute a serious working group that will be able to get its work done without getting bogged down in unproductive process issues. I would hope, however, that the appointing authorities would engage in some collaboration as they make their appointments to ensure that key stakeholders are indeed represented. Second, I would hope that this Committee, and ultimately the Legislature, would, if it adopts this measure, appropriate the funds necessary for the Commission to function effectively.

High quality technical education is critically important to the people of Kansas as they prepare for success in the global economy of the 21st Century. We support Senate Bill 588 because we believe the Commission it would create will help to move our state in a positive direction on these important education issues.

Thank you for your time, Mr. Chairman. I would be happy to answer questions from the Committee.



March 20, 2006

Senate Ways & Means Committee
Support for SB 588

Chairman Umbarger & Members of the committee:

The Kansas Association of Technical Schools and Colleges supports SB 588 and the appointment of a commission to study the governance and funding of technical education in Kansas.

The association membership is representative of all sectors of technical education in Kansas. The following list illustrates how each institution is governed:

<u>Unified School District</u>	<u>Independent Governing Board</u>	<u>Community College</u>
Kansas City Ks Technical School	Flint Hills Technical College	Coffeyville CC
Kaw Area Technical School	Manhattan Area Technical College	Cowley Co. CC
Northeast Ks Technical College	North Central Ks Technical College	Dodge City CC
Salina Area Technical School	Northeast Ks Technical College	Hutchinson CC
Southwest Ks Technical School	Wichita Area Technical College	Johnson Co. CC
		Pratt CC

Since the formation of area vocational schools in the 1960's, several changes have occurred to mold and shape the system Kansas has today. All of the area vocational schools governed by community colleges have merged with their respective community college. All of the Technical Colleges that currently have independent governing boards are seeking Higher Learning Commission (HLC) accreditation. Currently, North Central Technical College is the only college that has HLC accreditation.

The KATSC is currently working on a proposal to present to the Kansas Board of Regents concerning governance and funding. Our proposal is in response to the CTE Brief that was distributed as a working draft by the Kansas Board of Regents. We appreciate the Board of Regents' effort to address the funding and governance needs of our technical institutions. We also look forward in working with the Kansas Board of Regents and the Kansas Legislature on a solution to these problems.

Our board would ask for you to consider two amendments to SB 588. As experts on technical education in Kansas and as the affected institutions of any change to our governance and funding, our board feels it is a necessity that we have some representation on the commission. We would suggest the following amendment that would grant the opportunity for both a Technical College President and Technical School Director to be represented on the commission.

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(5) two members of the commission shall be appointed by The Kansas Association of Technical Schools & Colleges. One member shall be a Technical School Director and one member shall be a Technical College President.

The KATSC would also like to see a member of the commission be a representative of Business and Industry. After all, this is the industry most affected by any change in technical education governance and funding. The KATSC board would suggest the following amendment to SB 588 that would give the governor the appointment of a business and industry representative.

(3) one member represented by business and industry, shall be a person selected by the governor who shall serve as chairperson of the committee; and

The KATSC would like to thank the Kansas Legislature for their continued support of technical education in Kansas. Our association looks forward to working with the commission, the Kansas Legislature and the Kansas Board of Regents. Our association wants to work with all of these entities to secure a governance and funding model for Kansas' technical education that is the best and most efficient way to deliver technical education to the state.

Thank you for the opportunity to present this testimony.

A handwritten signature in black ink that reads "Richard B. Hoffman". The signature is written in a cursive, flowing style.

Rich Hoffman, President
Kaw Area Technical School Director

**TESTIMONY PRESENTED TO
THE SENATE WAYS AND MEANS COMMITTEE**

Mary Ellen Conlee, representing the Wichita Area Technical College

March 21, 2006

I am Mary Ellen Conlee representing the Wichita Area Technical College (WATC). We support the creation of the Kansas technical college and vocational education school commission as proposed in SB 588. In addition, we support the additional members proposed by the Kansas Association of Technical Schools and Colleges.

As a technical college that grants Associate Degrees and desired to continue to do so, WATC welcomed the SB 7 (2003) challenge of meeting the rigorous requirements of the North Central accrediting process. Last month a mock team review assured the WATC leadership team that it was ready for the formal visiting team in May 2006. It's only major concern was the lack of a plan for financial viability over time.

As an additional challenge for WATC, the Senate Assessment and Taxation Committee tabled a proposal (SB 311) that was presented to address the local property tax funding mechanism for the separate, but equally important Adult Basic Education curriculum that the college offers in Sedgwick County. The promise was that this limited taxing authority which impacts only WATC and Flint Hills Technical College would be addressed by the proposed commission or by an interim committee.

If WATC is to be successful as an independently governed and North Central accredited technical college, it needs answers to these funding issues and other governance issues as soon as possible. Therefore, we fully support SB 588 and believe that its two reporting periods January 2007 and January 2008 are essential.



**Mark Desetti, Testimony
Senate Ways and Means Committee
March 21, 2006**

Senate Bill 588

Mister Chair, members of the committee, I would like to thank you for the opportunity to appear before you today to share our thoughts on **Senate Bill 588**.

Technical schools and colleges have been in a kind of limbo since the passage of Senate Bill 345 and then Senate Bill 7. They seem sometimes to be neither fish nor foul – sometimes post-secondary and sometimes secondary. There are many issues that these institutions must contend with and solutions to these issues are often not clear.

KNEA represents instructors in these schools and colleges. This year in particular, these professionals have been concerned about their status and the status of the institutions themselves. Rumors abound of mergers and takeovers; the possibility of returning to Technical School status is the subject on one bill in this year's legislative session.

What we can tell you is that there has been a serious lack of communication among all the stakeholder groups and the one group most left in the dark has been the instructional staff.

We believe that the establishment of a Kansas technical college and vocational education school commission is a good idea. Our concern is that there is no guarantee that the employees – the instructors – will be represented on this Commission. What we can tell you is that they have not been involved in many discussions that have been taking place up to this point and that has created serious concerns about their long term employment status.

The legislature can go a long way in dealing with the many challenges facing technical schools and colleges if there is a concerted effort to guarantee that the employees are "at the table." We would ask this Committee to consider adding a representative of the instructional staff to serve on this Commission.

If we want to provide for an excellent vocational and technical program in Kansas – one that delivers a well-trained workforce to Kansas businesses – we have to ensure that these programs are well-planned and appropriately supported by the state. The instructional staff wants to be part of the solution.

Senate Bill 588
Testimony

From: Kenneth A. Clouse, President of NW. Ks. Tech College

Senator Umbarger and fellow committee members:

I want to take this opportunity to communicate with you concerning Senate Bill 588. I appreciate you taking my testimony without being in-person.

I have been involved with technical education throughout most of my career. The initiative of S.B. 588 is something that I applaud. Historically technical education has taken a back seat and has been a challenging sector for the Kansas Board of Regents to address. This bill elevates technical education as a priority for serious examination of the mission, governance, and funding issues that surround this sector. It is my hope that this bill will give technical education the attention it deserves and the outcome that will enhance this sector and ultimately the economy of Kansas through addressing workforce needs.

Most of you have read or heard that 80% of the workforce needs of 2010 will require more than a High School diploma and less than a bachelor degree. Technical education is where Kansas should be investing, as this is the higher education sector that is in a position to address most future employment needs of Kansas and especially those careers that require skilled technicians.

As you debate and dialog S.B. 588, I make the following observations and suggestions.

- It would enhance the committee structure to consider having a current technical school administrator and technical college president as members. If this option is something you choose to exercise, then the Kansas Association of Technical Schools and Colleges could nominate these individuals.
- In my opinion it would be good for the governor's appointee to be a representative of business and industry who has a thorough understanding of technical education and employed graduates from this sector of higher education.

Again, allow me to thank you for having the courage to address this important topic and to make technical education a priority for Kansas.

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