

MINUTES OF THE HOUSE EDUCATION BUDGET COMMITTEE

The meeting was called to order by Chairman Joe McLeland at 1:30 P.M. on January 30, 2007 in Room 514-S of the Capitol.

All members were present.

Committee staff present:

Mike Corrigan, Office of Revisor of Statutes
Audrey Dunkel, Legislative Research Department
Dee Heideman, Committee Assistant

Conferees appearing before the committee:

Theresa Gordzica, Chief Financial Officer, University of Kansas
Bill Otto, State Representative District Number 9
Diane Duffy, Vice President Finance, Board of Regents
Lucas Maddy, President Student Government, Kansas State University
Ginger Niemann, President Student Government, Pittsburg State University

Others attending:

See attached list.

Chairman McLeland asked for bill introductions. Representative Colloton asked to introduce legislation that would 1) Decouple the enrollment weighted measurements from the base state aid per pupil, and 2) would make it linear rather than using the complicated block system formula we now have. Representative O'Neal made the motion and it was seconded by Representative Horst. Motion carried on a voice vote.

Michele Alishahi gave a short review of budget write-up guidelines.

HB 2016 - Board of regents authority to transfer title of real estate to investing agents of state educational institutions.

First to speak was Theresa Gordzica,, a proponent, who said this legislation will enable KU and other Regent's institutions to transfer gifts and donations in the form of property to their endowment association (Attachment 1).

Reginald Robinson, President and CEO of the Kansas Board of Regents, submitted written testimony in support of this bill which would give state universities important flexibility in managing devised property (Attachment 2).

The hearing was closed on **HB 2016**.

HB 2069 - State educational institutions, regents report on tuition and fees

This bill was introduced by Bill Otto who outlined why this bill was important (Attachment 3).

Next Diane Duffy spoke against this bill because she feels this bill is not necessary (Attachment 4).

Lucas Muddy, also, spoke as an opponent to this bill because they have their own committee studying tuition costs (Attachment 5).

Ginger Niemann, gave her reasons why this bill should not be passed because she too thought the bill was unnecessary (Attachment 6).

The hearing was closed on bill **HB 2069**.

CONTINUATION SHEET

MINUTES OF THE House Education Budget Committee at 1:30 P.M. on January 30, 2007 in Room 514-S of the Capitol.

HB - 2091 State educational institutions; capital improvement projects financed with non-state moneys

The chair introduced Theresa Gordzica as a proponent because this bill would allow KU and other Regent's institutions the ability to move more quickly on construction projects that are not funded with State General Fund or other state tax sources (Attachment 7).

Reginald Robinson, President and CEO Kansas Board of Regents, submitted written testimony in support of this bill which would expand current state law that exempts certain capital improvements funded by private moneys (Attachment 8).

The hearing was closed on **HB 2091**.

The meeting was adjourned by the Chair at 2:55 PM.

House Education Budget Committee
Hearing on HB 2016
January 30, 2007

Testimony of Theresa Gordzica
Chief Business and Financial Planning Officer
University of Kansas

Chairman McLeland, Vice Chair O'Neal and Ranking Member Feuerborn, I am Theresa Gordzica, Chief Financial Officer at the University of Kansas and testify in support of HB 2016.

The University of Kansas appreciates the Committee's attention to this legislation. The Legislature has stressed the importance to all state agencies on the importance of being good stewards of taxpayer dollars. I want the Committee to know that KU is actively working on the necessary processes to implement the pilot purchasing project which was a legislative issue carried by Chairman McLeland last year. We continually to look for opportunities for KU to become more efficient in its operations.

H.B. 2016 is legislation that will enable KU and other Regents institutions to transfer gifts and donations in the form of property to our endowment association. I do want to assure the committee that this only deals with property given to the University of Kansas by individuals through bequeaths or wills only, no state property. Friends and supporters of the University of Kansas periodically give land to the University to benefit a scholarship or other philanthropic program, unaware that the KU Endowment Association is better suited to manage and direct donated property: whether the property be used in farming or oil and gas exploration.

HB2016 allows a regents university, with the approval of the Board of Regents, to transfer donated property to its affiliated endowment association if such a transfer would be beneficial to the intended program or support sought by the person donating the property. Any revenue generated from the property would still be used as the donor directed whether that be for scholarships, professorships, etc.

I would be happy to answer any questions.

House Education Budget Committee
Date: 01-30-2007
Attachment #: 1



KANSAS BOARD OF REGENTS

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January 30, 2007

Representative Joe McLeland
Chairman
House Education Budget Committee
Statehouse, Room 503-N
Topeka, KS 66612

Representative Bob Grant
Ranking Member
House Education Budget Committee
Statehouse, Room 421-S
Topeka, KS 66612

Dear Chairman McLeland and Ranking Member Grant:

On behalf of the Kansas Board of Regents, I write to you in support of House Bill 2016, legislation that would grant state universities permissive authority to transfer devised lands to their respective endowment associations or foundations.

Last Fall, the University of Kansas (KU) submitted this legislative proposal to the Board of Regents for consideration, and the Board subsequently approved KU's request. House Bill 2016 was introduced by the Legislative Educational Planning Committee on January 8.

The Board holds the title of all real property for KU and the other state universities. Individuals may devise lands to the universities through wills, and the Board will then hold the title for the use and benefit of the state university to which the property was devised. The university, not the Board, manages the land.

Typically, when land is devised to a university, the university continues to manage the land to generate income for the intended philanthropic purpose as defined by the individual who willed the property to the university. Most of these devised lands are agricultural in nature and continue in agricultural operations. The devised lands in certain regions of Kansas also have oil and gas production potential.

The state universities certainly appreciate the generous actions of an individual who devises lands to support the university, but the universities are not structured to actively manage property. To seek more efficient management of devised lands, it would be advantageous for the university to have the flexibility and benefit of requesting the Board to transfer devised lands to its associated endowment association or foundation for operation and management. This would relieve a university from the tasks of monitoring and managing devised lands.

Under the proposed permissive authority, the Board of Regents could transfer title of devised real property to a state university's affiliated endowment association or foundation. The endowment or foundation, with its land management expertise, could manage the property to

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maximize its income and continue to fulfill the intended philanthropic purpose of the individual, to support the state university. Endowment associations or foundations also can provide the benefit of economies of scale when management of devised lands is coordinated with property already owned by an endowment association for the benefit of the state university.

Thank you for your consideration of House Bill 2016, permissive legislation that would give the state universities important flexibility in managing devised property.

Sincerely,



Reginald L. Robinson
President and CEO

STATE OF KANSAS
HOUSE OF REPRESENTATIVES

SERVING: ALLEN, ANDERSON, FRANKLIN
COFFEY, AND WOODSON COUNTIES

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BILL OTTO

HB 2069

As you can see from The Topeka Capital-Journal article, the Kansas Board of Regents has not done a very good job of holding down tuition costs for Kansas Residents. My bill simply asks them to explain what is going on.

To get their attention, it freezes rates at the worst offenders and allows the other to raise only at the rate of inflation. If the Regents cannot say no, I feel it is time as the elected representatives of the people we take action.

House Education Budget Committee
Date: 01-30-2007
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Date: _____

Fri 6-23-06

() Topeka Capital Journal	() Hays Daily News	() Leavenworth Times
() Wichita Eagle	() Hutchinson News	() Manhattan Mercury
() Kansas City Star	() Iola Register	() Olathe Daily News
() Chanute Tribune	() Johnson County Sun	() Parsons Sun
() Dodge City Daily Globe	() Junction City Daily Union	() Pittsburg Morning Sun
() Emporia Gazette	() Kansas City Kansan	() Salina Journal
() Garden City Telegram	() Lawrence Journal World	() Winfield Daily Courier

TUITION INCREASE

	2002	2006	2007	Increase '06-'07	Increase '02-'07
Kansas	\$1,442	\$2,707	\$3,076	13.6%	113.3%
Kansas State	\$1,417	\$2,562	\$2,890	12.8%	104%
Wichita State	\$1,429	\$2,116	\$2,258	6.7%	58%
Emporia State	\$1,142	\$1,653	\$1,793	8.5%	57%
Pittsburg State	\$1,169	\$1,781	\$1,895	6.4%	62.1%
Fort Hays State	\$1,109	\$1,526	\$1,596	4.6%	43.9%

Regents approve another tuition hike

By Barbara Hollingsworth
THE CAPITAL JOURNAL

University students will have to dig deeper into their pockets for at least one more year.

The Kansas Board of Regents on Thursday signed off on tuition and fee hikes, ranging from an increase of 4.6 percent for Fort Hays State

University to 13.7 percent at The University of Kansas. The increases cap off a five-year plan during which tuition and fees have more than doubled at KU and Kansas State University.

Most regents members said the

increases were justified as schools work to improve their standing while facing stagnant or reduced state funding. And several pointed out that the universities remain a good buy when compared to other universities in the Big 12 and region.

Just one regent, chairwoman Donna Shank, of Liberal, said the increases have come too fast.

As a parent of a child who has been in college the last four years, it doesn't really make a difference what the other schools charge," said Shank, who voted against increases at KU and K-State. "What matters is what my school is charging."

In the case of each of the six universities governed by the regents, tuition is up. The steepest increases have been at KU, where tuition is up 113 percent since 2002, the year before the five years of increases began. This fall, full-time undergraduate students will pay \$3,076 per semester, compared to \$1,442 during the 2001-2002 school year.

KU has a proposal that could promise relief to students in coming years. As early as September, regents will consider a plan that would guarantee a single tuition rate to students for four years, said Kip Peterson, a regents spokesman.

At K-State, where tuition is up 104 percent, president Jon Wefald

said the hikes are reflective of less financial support from Kansas lawmakers in a state where high levels of support traditionally have made college a good buy.

"If we hadn't embarked on this five-year tuition plan, we would be in big trouble today," Wefald told the regents.

Since 1991, tuition and other funding have taken on a more important role in funding the state's university system. In 1991, state funding accounted for 48 percent of university budgets but declined to about 29 percent for the 2005 school year.

Still, Wefald said the consecutive year of big hikes may be over.

Among those supportive of the increases is Ginger Niemann, president of the student governing association at Pittsburg State University and chairwoman of the Student Advisory Committee to the regents. Still, rising tuition is a concern, and most students she knows have to work. That is why she sees promise in KU's proposal to guarantee a tuition rate for four years.

"It would be nice to be able to have that idea of what to expect," she said.

Earlier this year, Washburn University's board of regents approved a 6.7 percent tuition increase. Undergraduate students will pay \$2,625 for a 15-hour semester.

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House Education Budget Committee
January 30, 2007

Testimony in opposition to H.B. 2069

Diane Duffy, Vice President, Finance & Administration

I am here today on behalf of the Kansas Board of Regents to provide the Committee with information about tuition at the state universities. I am hoping that this testimony, the testimony of two student leaders, along with other information you may request will provide the Committee with sufficient explanation that you conclude HB 2069 is not necessary.

I want to provide a brief background about the Legislature's approach to budgeting for the state universities -- the operating grant/tuition ownership model; the Board's review and approval process for tuition and fees; a comparison of tuition and fees of our state universities compared to our neighboring states; and finally a national and state context for tuition increases over the past five years.

Operating Grant/Tuition Ownership

The 2001 Legislature approved a new approach for budgeting for the state universities called the operating grant/tuition ownership model. Under this approach each state university receives an operating grant from the State and retains ownership of and accountability for its tuition revenue. All new state funding is subject to the institution's performance agreement with the Board. Upon the Board's approval of tuition rates and plans, each university assesses, collects, and has expenditure authority over its tuition.

Prior to FY 2002, the amount of State General Fund required for each state university budget depended upon the amount of tuition generated by each institution. Under this approach, state monies and tuition monies were interchangeable, and accordingly, tuition monies were considered a state asset, rather than an institutional asset. This model did not provide the Board with the flexibility it has today to adopt strategic tuition proposals for each state university recognizing differing missions, program offerings, geographic locations, student mix, and other considerations to enhance and improve each state university.

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Board of Regents' Review and Approval Process

This year the state universities are completing the fifth year of five-year tuition plans (FY 02-FY 07). The Board approved their five year plans Spring 2001 and annually approves tuition and fees for the upcoming year. At the May meeting the Board receives a detailed presentation from each state university on its plans for tuition and required fee proposals for the coming academic year, including:

- Proposed tuition rates applicable to all students within designated categories i.e. undergraduate, graduate.
- Proposed fees (differential tuition rates) applicable to students enrolled in specific academic programs i.e. law, engineering, etc.
- Any other proposed changes to the university's tuition structure.
- A description of how the proposals relate to the university's five year plan
- A description of how student and other campus community are involved in the development of the proposals. These are very public, open and transparent processes- both at the campus level and the Board level in Topeka.
- Projected uses of increased tuition revenues.
- Any changes in required fees, accompanied by the required financial impact statements.

I've reviewed the summary written documents that each state university submitted May, 2006, which details their business case and justification to the Board. Specifically, the KU and KSU proposals explain the rationale for the increased in-state tuition and fees. Most notably, both universities cite comparisons with their peer institutions, increased investment in academic programs, significant increased investment in need-based university financial aid programs, and student support for the increases. In contrast, FHSU outlines its strategy citing that 71% of students (student credit hours) are from Kansas, mostly western Kansas, and over 80% receive some form of aid and 70% report the need to work while attending college as a key driver for their tuition strategy.

A "one-size fits all" approach to tuition does not work in today's world because of differing missions, program offerings, geographic locations, competitive environments, level of state support and other considerations. The Board's approach recognizes the unique characteristics and aspirations of each university in adopting individual tuition strategies that will enhance and improve each university. Typically, the Board takes action to approved tuition and fees for the upcoming academic year at its June meeting.

Tuition Remains a Bargain Compared to Surrounding States

Despite the tuition and fee increases over the past five years, by all measures our state universities continue to be relatively affordable compared to other states. The attached tables provide a comparison of tuition and fees for 2006-2007 at our state universities and those of the surrounding states of Nebraska, Oklahoma, Missouri, Colorado, and Iowa.

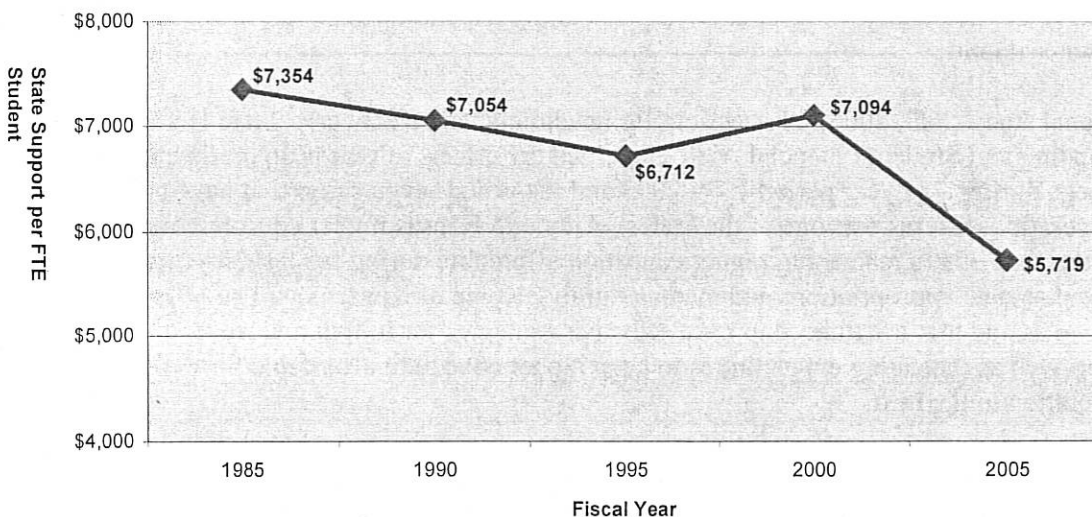
Resident tuition and fees at Kansas State University, the University of Kansas, and Wichita State University, the state's three research universities, are 8.8 percent below the surrounding state average, while resident tuition and fees at Emporia State University, Fort Hays State University and Pittsburg State University, the state's regional state universities, are 13.9 percent below the surrounding state average. For example, it costs a Missouri resident on average over \$2,300 more annually to attend a state research university than a Kansan pays to attend a state research university.

Declining SGF Increasing Tuition and Fees

The last national recession technically lasted only a few months, March-November 2001, but it affected states' economies and appropriations for higher education for years. This last recession was very severe for higher education. Nationally appropriations per FTE enrollment declined 2 percent after the 1980 recession; 5% after 90-91; and 8.6 percent following the 2001 recession. The graph below charts the decline in state support in Kansas. In FY 2000 state support per FTE student equated to \$7,094 and it dropped to \$5,719 in FY 2005.

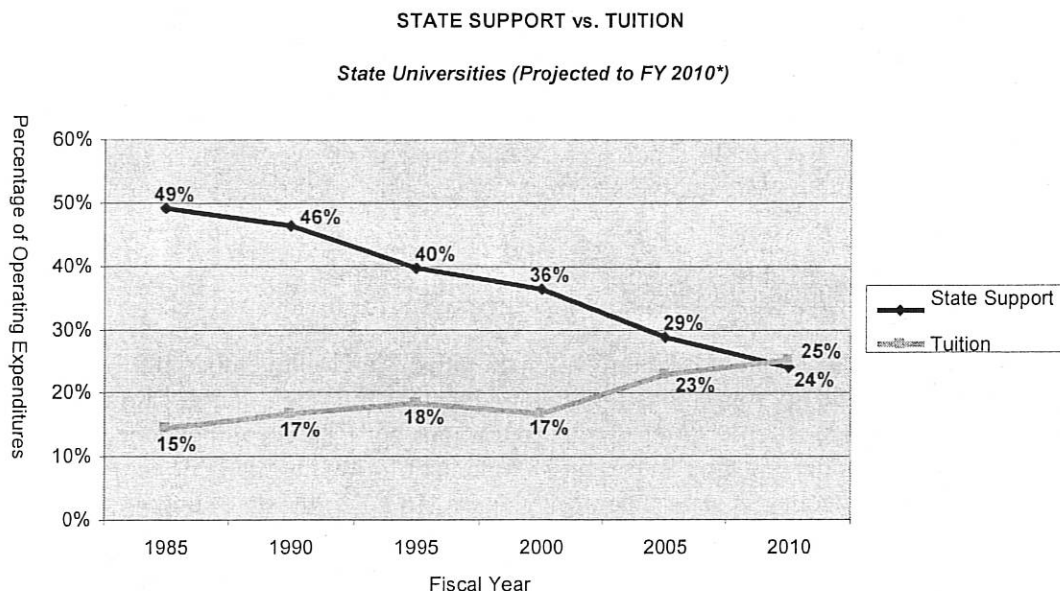
STATE SUPPORT per FULL-TIME EQUIVALENT (FTE) STUDENT

State Universities*



* State universities only; excludes KUMC, KSU-Vet Med, and KSU-ESARP.

The next chart illustrates the relationship between declining SGF and increasing tuition. Historically, tuition increases have risen most steeply during these recessionary and immediate, post-recessionary periods.



* State universities only; excludes KUMC, KSU-Vet Med, and KSU-ESARP.

If current trends continue and the level of state support continues to decline, as the table above indicates by 2010 the percentage of state university operating expenditures supported by tuition will surpass state support.

A recent national study (Fall, 2006), "Recession, Retrenchment, and Recovery: State Higher Education Funding and Student Financial Aid" examined the effects of recession on financial access to college during a 25 year period 1979-2003 and identified seven states that have been relatively successful – Kansas was one of the States. Although Kansas higher education may have done better than others in keeping higher education affordable during the last 25 years, the Board realizes that state appropriations and median family income of Kansans will be effected by future down cycles and that it will need to have effective strategies for tuition and student financial aid as well as managing expenditures to keep higher education affordable for Kansans from one generation to the next.

Mr. Chairman, thank you for the opportunity to provide this overview. Again, I would urge the Committee to oppose HB 2069. I'll be pleased to answer any questions you may have.

Attachment 1-a

**Resident Tuition and Fees Comparison
Academic Year, 2006 - 07**

	<u>Tuition and Fees</u>	<u>\$ Comparison to Kansas</u>	<u>% Comparison to Kansas</u>
Research Institutions			
Nebraska	\$5,867	\$385	7.0%
Oklahoma	\$5,054	-\$429	-7.8%
Missouri	\$7,828	\$2,345	42.8%
Colorado	\$5,180	-\$302	-5.5%
Iowa	\$5,898	\$415	7.6%
Regional Average	\$5,965		
Kansas Average	\$5,482		
Difference in Averages	\$483		
% Difference	8.8%		
Regional Institutions			
Nebraska	\$4,322	\$243	6.0%
Oklahoma	\$3,497	-\$581	-14.3%
Missouri	\$5,638	\$1,559	38.2%
Colorado	\$3,865	-\$214	-5.2%
Iowa	\$5,912	\$1,833	44.9%
Regional Average	\$4,647		
Kansas Average	\$4,079		
Difference in Averages	\$568		
% Difference	13.9%		

Source: The Higher Education Chronicle- Tuition and Fees database (Jan 29, 2007)

**Selected Student Charges for Undergraduates in Universities in
Kansas and Neighboring States, Academic Year, 2006-2007
Research Institutions**

Kansas	Resident Tuition and Fees	Nonresident Tuition and Fees
Kansas State University	\$5,779	\$15,514
University of Kansas	\$6,153	\$15,123
Wichita State University	\$4,515	\$11,862
Kansas Average	\$5,482	\$14,166
Nebraska		
University of Nebraska-Lincoln	\$5,867	\$15,317
Oklahoma		
Langston University	\$3,377	\$8,027
Oklahoma State University	\$4,997	\$13,569
University of Oklahoma	\$5,110	\$13,399
Oklahoma Average	\$5,054	\$13,484
Missouri		
Lincoln University	\$5,123	\$8,952
University of Missouri, Columbia	\$7,784	\$18,050
University of Missouri, Kansas City	\$7,659	\$17,925
University of Missouri, Rolla	\$7,899	\$18,165
University of Missouri, St. Louis	\$7,968	\$18,234
Missouri Average	\$7,828	\$18,094
Colorado		
Colorado State University	\$4,717	\$16,245
University of Colorado-Boulder	\$5,643	\$23,539
Colorado Average	\$5,180	\$19,892
Iowa		
Iowa State University	\$5,860	\$16,354
University of Iowa	\$5,935	\$18,159
Iowa Average	\$5,898	\$17,257

Source: Reported by The Higher Education Chronicle- Tuition and Fees database; original data from Collegeboard, 2006-07

29-Jan-07

**Selected Student Charges for Undergraduates in Universities in
Kansas and Neighboring States, Academic Year, 2006-2007**
Regional Institutions

	Resident Tuition and Fees	Nonresident Tuition and Fees
Kansas		
Wichita State University	\$4,515	\$11,862
Emporia State University	\$3,586	\$10,938
Fort Hays State University	\$3,191	\$10,038
Pittsburg State University	\$3,790	\$11,120
Washburn University	\$5,312	\$11,972
Kansas Average	\$4,079	\$11,186
Nebraska		
Chadron State College	\$4,013	\$7,088
Peru State College	\$3,810	\$6,885
University of Nebraska-Kearney	\$4,654	\$8,727
University of Nebraska-Omaha	\$5,118	\$13,646
Wayne State College	\$4,013	\$7,088
Nebraska Average	\$4,322	\$8,687
Oklahoma		
Cameron University	\$3,432	\$8,310
East Central University	\$3,498	\$8,478
Northeastern State University	\$3,489	\$8,589
Northwestern Oklahoma State University	\$3,451	\$8,551
Oklahoma Panhandle State University	\$3,521	\$8,021
Rogers State University	\$3,300	\$7,860
Southeastern Oklahoma State University	\$3,574	\$8,486
Southwestern Oklahoma State University	\$3,450	\$7,950
University of Central Oklahoma	\$3,539	\$8,924
University of Science and Arts of Oklahoma	\$3,720	\$8,820
Oklahoma Average	\$3,497	\$8,399
Missouri		
University of Central Missouri	\$5,835	\$11,250
Harris Stowe State College	\$4,910	\$9,333
Lincoln University	\$5,123	\$8,952
Missouri Southern State College	\$4,096	\$7,996
Missouri Western State College	\$5,168	\$9,008
Northwest Missouri State University	\$6,045	\$10,290
Southeast Missouri State University	\$5,505	\$9,630
Truman State University	\$6,092	\$10,522
University of Missouri, St. Louis	\$7,968	\$18,234
Missouri Average	\$5,638	\$10,579

**Selected Student Charges for Undergraduates in Universities in
Kansas and Neighboring States, Academic Year, 2006-2007
Regional Institutions**

	Resident Tuition and Fees	Nonresident Tuition and Fees
Colorado		
Adams State College	\$3,171	\$9,597
Colorado State University-Pueblo	\$4,190	\$14,758
Fort Lewis College	\$3,356	\$14,024
Mesa State College	\$3,548	\$10,766
(new) Metropolitan State College of Denver	\$3,040	\$10,989
(new) University of Colorado at Colorado Springs	\$5,114	\$16,348
University of Colorado-Denver	\$5,064	\$16,934
University of Northern Colorado	\$3,950	\$12,530
Western State College of Colorado	\$3,351	\$11,909
Colorado Average	\$3,865	\$13,095
Iowa		
University of Northern Iowa	\$5,912	\$13,830

Source: Reported by The Higher Education Chronicle- Tuition and Fees database; original data from Collegeboard, 2006-07

29-Jan-07

“Our Investment, Our Solution”

- Fall 2005: Student Senate at KSU creates the **Special Committee to Study Long-Term Tuition Strategies**.

The charges of the committee:

1. Examine the current five-year plan.
 2. Establish guidelines for evaluation of future tuition strategies.
 3. Develop tuition proposal for next 5 years, presented to Student Senate, Faculty Senate, K-State Salina Campus, and University Administration.
Received favorably at all presentations.
- Of the **twelve** members of the committee, **eight** were students. The co-chairs of the committee were the **Student Body President** and the **Student Senate Chair**.

Themes:

1. Predictability – Students know the cost of college from the instant they apply.
2. Simplicity
3. Affordability for All Students.

Main Principles:

1. **Invest in areas of greatest return.**
2. Students continue to have FULL responsibility for recommending annual changes to all \$10.5 million dollars of the privilege fee.

Campus Involvement:

1. Extensive coverage from student newspaper, KSU Collegian.
2. Walking Surveys conducted by committee members.
3. Student Senators discussed proposal with each college council.

Result: 5 Year Tuition plan - \$15/year/credit hour increases.

Top Priorities of Proposed 5 year Tuition Proposal

1. Faculty Salary Enhancements
2. Student Financial Aid

Including:

1. \$500k/year to update library periodicals.
2. Percentage increases in tuition will be parallel by percentage increases in financial aid available to students.
3. Committee has been institutionalized, will revisit tuition every two years to determine effectiveness.

Lucas Muddy

House Education Budget Committee

Date: 01-30-2007

Attachment #: 5

RESOLUTION 05/06/51

RESOLUTION SUPPORTING THE
FIVE-YEAR TUITION PROPOSAL

- BY: Michael Burns, Tyson Moore, Brandon Sager, Will Lopez, Kelsey Frasier, Colleen Loo, and Daniel Nibarger
- WHEREAS, Bill 05/06/12 created the Student Senate Special Committee to Study Long-Term Tuition Strategies;
- WHEREAS, The Committee consisting of administration, faculty and students, met throughout the fall and spring semesters to discuss and propose the next five-year tuition plan starting in FY 2008;
- WHEREAS, Establishing a tuition rate that remains affordable, predictable, and more competitive in the out-of-state market is essential;
- WHEREAS, The predicted tuition rate proposed is needed because it allows for prospective and current students to plan for the cost of their college degree;
- WHEREAS, College specific fees should be redistributed into tuition over the first three years of the tuition plan, creating a revenue-neutral situation for each college currently assessing these fees, and in years four and five the tuition money assessed be used for the continued enhancement of college specific allocations;
- WHEREAS, The prioritized funding initiatives related to faculty salary, undergraduate experience, academic program, and student compensation enhancements, as well as college specific fee redistribution, all properly reflect the principles set forth in the proposal;
- WHEREAS, The current Kansas State University Child Development Center is an unacceptable and dangerous facility to care for children and a new facility is needed; and
- WHEREAS, It is critical that a bi-annual committee of administration, faculty and students be created and institutionalized to ensure that all principles related to tuition are achieved in the future.

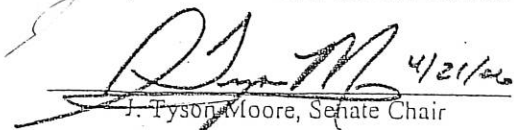
BE IT RESOLVED THAT:

- SECTION 1. The Kansas State University Student Governing Association supports the five-year tuition proposal drafted by the Student Senate Special Committee to Study Long-Term Tuition Strategies.
- SECTION 2. Upon passage by the Student Senate and signature of the Student Body President, a copy of this resolution shall be sent to President Jon Wefald, Provost Duane Nellis, Vice President for Institutional Advancement Bob Krause, Vice President for Administration and Finance Tom Rawson, Associate Provost Ruth Dyer, Dean of Student Life Pat Bosco, Associate Vice President for Administration and Finance Bruce Shubert, Dean of the

College of Agriculture Fred Cholick, Dean of the College of Architecture, Planning and Design Dennis Law, Dean of the College of Arts and Sciences Stephen White, Dean of the College of Business Administration Yar Ebadi, Dean of the College of Education Michael Holen, Dean of the College of Engineering Terry King, Interim Dean of the College of Human Ecology Virginia Moxley, Dean of the College of Technology and Aviation Dennis Kuhlman, Dean of the College of Veterinary Medicine Ralph Richardson, Dean of the Graduate School Ron Trewyn, and Faculty Senate President Tom Herald.

THIS RESOLUTION PASSED STUDENT SENATE ON APRIL 6, 2006
BY UNANIMOUS CONSENT

I certify this resolution is true and correct.

 4/21/06
J. Tyson Moore, Senate Chair



I hereby approve this resolution.

 4/21/06
Michael Burns, Student Body President

Testimony in Opposition to House Bill 2069
House Education Budget Committee
January 30, 2007

Ginger Niemann, President
Pittsburg State University Student Government Association

Good Afternoon. My name is Ginger Niemann, and I have served as the President of the Student Government Association at Pittsburg State University since September of 2005, and was re-elected in the Spring of 2006. I am also currently serving as the chair of the Students Advisory Committee to the Kansas Board of Regents. I come to you today to specifically address student involvement in the tuition setting process and to explain why House Bill 2069 is unnecessary. While my knowledge stems largely from my participation at Pittsburg State University, after 3 years of attending Board of Regents meetings, I feel that the level of student involvement is felt across the state.

At Pittsburg State, the tuition setting process begins in the fall semester. A committee is formed, which includes alumni, administration, classified and unclassified staff, faculty, and two students, the Student Government President and Vice President. Throughout the process, each member of the committee is present at each meeting and has all the necessary material. After proposals are heard, the committee begins deliberations. One may believe that students do not play a key role in this part of the process, but I assure you that we are not shy. For example, in last year's tuition proposal at Pittsburg State University, there was a Tuition Waiver for Dependents and Spouses of University employees. As a tuition-paying student, it was easy to get defensive about one of my peers not having to pay for school because their parent is employed by the University. However, that attitude is not what my job is about. Instead, as Student Body President, it is my job to look at what is best for the students of Pittsburg State.

This tuition waiver proposal would be used as a faculty recruiting tool. There is no doubt that classes are enjoyed much more by students when there is a quality professor in the front of the room. Since many of our Professors at Pittsburg State will be nearing retirement age in the near future, recruiting will become more crucial than ever. In order to stay competitive and to maintain the quality of faculty, incentives are needed. Additionally, quality support staff are absolutely invaluable, and this serves as an essential recruiting tool for these positions outside of the classroom as well. I did however, along with my Vice-Presidential counterpart, have some questions regarding this proposal.

We were strong in our thoughts that this program should be implemented over a three year period, allowing information to be gathered and flaws to be worked out before full implementation. We also believed that spouses should not be allowed to have more than 3 credit hours paid for when working on a master's degree. These ideas became key components of the plan, and again, I stress that they were strongly advocated by the student representation. At the final tuition meeting, all members of the committee are asked to give their thoughts on the proposal. Additional student representation is added with the incoming student body President and Vice President voicing their opinion as well.

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Obviously the focus of a research institution, such as Kansas State, and a regional institution, such as Pittsburg State, will be different in terms of tuition increases. The Students at Pittsburg State are seeing the direct benefit of their tuition dollars. An Office of Informational Services component has resulted in a more efficient online user system, and the newest addition of a Gorilla Geek service, which allows students to receive basic computer service either free or at a greatly reduced cost as compared to a commercial service. To put it simply, these modest tuition increases are directly addressing student needs that otherwise would not be met. These needs are not frivolous, but essential in keeping students at our institutions in Kansas.

Across the state, student leaders are actively involved in the decisions made at our six regent's universities. This awareness and concern is also seen at the Regent's level. As I said previously, I have attended Regent's meetings for nearly three years. Throughout those years, I have seen members of the Board question, and at times even challenge, decisions made at the six state universities. These are the people who have carefully tracked the progress of each institution, have seen the success of the students, and have played an active role in keeping education affordable and available to all Kansans.

Enrollment numbers continue to rise across the state. Tuition increases are not hindering students from seeking higher education. We are seeing more students working while attending school, which may mean it takes them longer to receive their degree. But, they see the value of their education, and are willing to work for it.

When I was elected, I was elected to serve my peers, the students. As a student leader, I take my position very seriously and devote many hours to ensuring that students at Pittsburg State University are receiving the best education for their tuition dollars. I know that I speak for my colleagues as well. I know the benefit of my Kansas education, and work to preserve that opportunity for others. I will now take any questions the committee may have.

House Education Budget Committee

Hearing on HB 2091

January 30, 2007

Testimony of Theresa Gordzica
Chief Business and Financial Planning Officer
University of Kansas

Chairman McLeland, Vice Chair O'Neal and Ranking Member Feuerborn, I am Theresa Gordzica, Chief Financial Officer at the University of Kansas and testify in support of HB 2091.

The University of Kansas appreciates the Committee's attention to this legislation. The Legislature has stressed the importance to all state agencies on the importance of being good stewards of taxpayer dollars. I want the Committee to know that KU is actively working on the necessary processes to implement the pilot purchasing project which was a legislative issue carried by Chairman McLeland last year. We continually to look for opportunities for KU to become more efficient in its operations.

HB 2091 would allow KU and other Regents institutions move more quickly on construction projects that are not funded with State General Fund or other state tax sources. The proposed legislation expands the current state law that exempts certain capital improvements using private moneys to also include those projects funded by nonstate moneys which includes tuition and restricted fees collected by universities for construction and renovation of state educational institutional buildings.

Current law provides Regents institutions an exemption from state construction/contracting laws for those projects under \$1 million if they are funded with private moneys from nongovernmental sources. This proposal seeks to repeal the \$1 million cap, and expand the law to include those projects that are funded by nonstate moneys (restricted fees and tuition) which are not from the state general fund. The combination of lifting the cap and broadening the exemption will give universities the ability to undertake appropriate capital improvement projects in a quicker fashion.

The Hilltop Child Care Center addition represents why the flexibility is sought. KU will be adding a \$2 million addition to its child care center. The project is funded through student fees as there is great demand from students for more dependable childcare. There are 350 children on the waiting list for Hilltop. Since the project exceeds the current \$1 million cap, it must be included in the university's annual capital improvement budget. Construction cannot proceed until the capitol improvement budget is signed into law. A project that is construction ready and funded with private or nonstate dollars is delayed 9 months which can increase construction costs.

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Eliminating the cap and expanding the law does not give universities the ability to construct and repair at will. The Board of Regents retains its oversight and approval role in capital improvement projects. Additionally, all capital improvement projects under this proposed bill will still have to be presented to the Joint Committee on State Building Construction.

Finally, I would note that KU would continue to utilize a competitive, qualification based selection process for architectural and construction services.

I would be happy to answer any questions.



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January 30, 2007

Representative Joe McLeland
Chairman
House Education Budget Committee
Statehouse, Room 503-N
Topeka, KS 66612

Representative Bob Grant
Ranking Member
House Education Budget Committee
Statehouse, Room 421-S
Topeka, KS 66612

Dear Chairman McLeland and Ranking Member Grant:

On behalf of the Kansas Board of Regents, I write to you in support of House Bill 2091, legislation that would expand current state law that exempts certain capital improvements funded by private moneys from state construction/contracting laws to also include those projects funded by non-state moneys, which might include restricted fees collected by universities for the construction and renovation of state educational institutional buildings.

Last Fall, the University of Kansas (KU) submitted this legislative proposal to the Board of Regents for consideration, and the Board subsequently approved KU's request. House Bill 2091 was introduced by the Legislative Educational Planning Committee on January 8. It is important to note that this proposal mirrors similar legislation enacted in 2005 that eliminated the \$1 million cap for university research foundation projects.

Current law provides state universities with an exemption from state construction/contracting laws for those projects under \$1 million if they are funded with private moneys from non-governmental sources. The state universities would benefit if the \$1 million cap was eliminated and expanded to include projects funded by non-state moneys (restricted fees, tuition, federal moneys, etc.) which are not drawn from the state general fund. The combination of lifting the cap and augmenting the exemption to cover non-state moneys would give the universities the ability to undertake appropriate capital improvement projects in an expedited manner which could lead to lower planning and construction costs.

Current law delays the universities from quickly proceeding with crucial projects beneficial to students and faculty. As an example, KU students and faculty are currently requesting an expansion to the Hilltop Child Care Center because there are over 350 children on the Center's waiting list. A \$2 million addition to increase Hilltop's enrollment, which is funded through student fees, has been added to KU's 2007 capital improvements budget. However, because the project is larger than \$1 million, KU cannot proceed with construction until legislative enactment of its capital improvements budget. The project is construction-ready and funded with non-state

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dollars, but waiting for legislative approval may ultimately lead to increased construction costs due to the delay.

State universities also need to be able to quickly to respond to faculty research needs. As an example, KU is planning for new sophisticated laboratory space for engineering research in Learned Hall. The estimated cost of the proposed project is \$1.5 million which will be funded by non-state moneys from tuition enhancements and the KU Endowment. Delays in projects like this limit the ability for researchers to have access to quality research labs to compete for federal research grants.

There is no direct fiscal impact to the State of Kansas since funds available for use under this law are either private or non-state moneys. KU has indicated that this legislation, if enacted, would expedite capital improvement projects resulting in fewer delays and lower project costs. All capital improvement projects addressed by this proposed legislation would still ultimately require Board of Regents and Joint Committee on Building Construction approval. KU has also indicated that the Department of Administration has no opposition to the proposal.

Thank you for your consideration of House Bill 2091.

Sincerely,



Reginald L. Robinson
President and CEO