

Approved: 1.24.07
Date

MINUTES OF THE HOUSE EDUCATION COMMITTEE

The meeting was called to order by Chairman Clay Aurand at 9:00 A.M. on January 17, 2007 in Room 313-S of the Capitol.

All members were present except:

Representative Benjamin Hodge- excused
Representative Valdenia Winn- excused

Committee staff present:

Sharon Wenger, Kansas Legislative Research Department
Michele Alishahi, Kansas Legislative Research Department
Ashley Holm, Kansas Legislative Research Department
Theresa Kiernan, Revisor of Statutes
Janet Henning, Committee Assistant

Conferees appearing before the committee:

Rob Edleston, Kansas Assoc of Technical Schools & Colleges
Sharon Wenger, Kansas Legislative Research Department
Representative Deena Horst

The Chair inquired of the Committee if there were any bill introductions. Representative Colloton advised it is the goal of the state of Kansas to promote a healthier school environment and a higher level of physical fitness in Kansas children. With that statement, Representative Colloton moved the motion which was seconded by Representative Craft. The motion carried on a voice vote.

Sharon Wenger, Kansas Legislative Research Department, gave an overview of the Report of the Legislative Educational Planning Committee (LEPC) who recommended ten bills for introduction during the 2007 Session. (Attachment #1)

Ms. Wenger also gave an overview of the Kansas Technical College and Vocational School Commission preliminary report which stated the Commission was created by the 2006 Legislature to study the mission, governance, and funding of Kansas technical colleges and vocational education schools. (Attachment #2)

Before beginning the bill hearings, the Chairman recognized Representative Hill who introduced to the Committee, Dr. Mike Lane, President of Emporia State University.

HB 2014 - Establishing the technical college and technical commission; powers and duties.

Rob Edleston, addressed the Committee as a proponent of HB 2014. (Attachment #3)

Following questions and answers of the Committee, the hearing was closed on HB 2014.

HB 2017 - English for speakers of other languages (ESOL) commission; preparation of beginning teachers to teach English language learners.

Theresa Kiernan, Revisor of Statutes, gave a brief overview of HB 2017.

Written testimony from United School Administrators of Kansas (USA Kansas) was distributed to all Committee members. (Attachment #4)

Representative Horst gave a brief background of the development of HB 2017. (Attachment #5)

After a lengthy discussion of questions and answers, Representative Colloton requested a report from the Kansas Board of Regents regarding status of teacher education programs in preparing teachers to better teach English Language Learners (ELL).

The hearing for HB 2017 was concluded.

The meeting was adjourned at 10:25 AM. The next meeting is scheduled for Tuesday, January 23, 2007.

Report of the
Legislative Educational Planning
Committee to the
2007 Kansas Legislature

CHAIRPERSON: Representative Kathe Decker

VICE-CHAIRPERSON: Senator Jean Schodorf

OTHER MEMBERS: Senators Marci Francisco, Roger Pine, Mark Taddiken, Ruth Teichman, and John Vratil; and Representatives Barbara Ballard, John Faber, Deena Horst, Steve Huebert, Eber Phelps, and Jo Ann Pottorff

STUDY TOPICS

- Elementary and Secondary Education

December 2006

House Education Committee
Date: 1-17-07
Attachment # 1

Legislative Educational Planning Committee

ELEMENTARY AND SECONDARY EDUCATION

CONCLUSIONS AND RECOMMENDATIONS

The Legislative Educational Planning Committee recommends ten bills for introduction during the 2007 Session. The legislation would:

- Extend the Technical College and Vocation School Commission another two years and require that the Commission make annual reports to the Committee.
- Create the English for Speakers of Other Languages Task Force, a nine member entity whose charge would include considering how preparing teachers to teach English Language Learners could be incorporated into the basic teacher education curriculum. The Task Force would exist for two years and report annually to the Committee.
- Prohibit a public agency, including the State of Kansas, any department, agency, board, or school district, from spending public money to adopt, implement, or enforce school accreditation guidelines or standards which establish or are based upon a requirement of student performance or student proficiency. In addition, provide that a program begun or expanded with federal funding could be eliminated or reduced if the federal funding is eliminated or reduced.
- Consolidate four existing teacher education programs into the Comprehensive Teacher Scholarship Program, as proposed by the Kansas Board of Regents.
- Create a new program to award grants to state universities for projects that would benefit teachers and teacher preparation.
- Reconcile a conflict between two enactments of the Legislature to allow state universities both the flexibility to convert their classified staff to University Support Staff and to raise annual leave and discretionary leave for classified staff up to the level offered to unclassified personnel.
- Create the Nurse Educator Scholarship Program by statute, rather than by proviso.
- Give the Kansas Board of Regents and the state universities the authority to transfer property to state university endowment associations or other investing agents.
- Expand current state law that exempts from state construction and contracting laws capital improvements projects using private moneys of \$1.0 million or less. The proposed legislation would eliminate the \$1.0 million limit and expand the source of revenues exempted to include restricted fees collected by universities for construction and renovation of state educational institutional buildings.
- Increase the monthly stipend for the Medical Student Loan Program from \$1,500 to \$2,000 and allow third- or fourth-year students to be eligible to participate in the program retroactively.

In addition, the Committee recommends the following:

- Consideration by the Legislature of the creation of a commission or task force to review services for individuals with autism up to the age of adulthood for purposes of identifying the most effective treatment methods and transition services following the completion of school.
- Ongoing monitoring by the Committee of Medicaid payments to school districts for medical services to special education students, including reports from the Kansas Health Policy Authority on its efforts to resolve disputes with the United States Health and Human Services Office of the Inspector General and on its efforts to reduce or eliminate a fee charged school districts by the Authority for its services in administering the reimbursement program.
- General endorsement of the recommendations of the At-Risk Council, including the recommendation that the Non-Proficient At-Risk Weighting be extended beyond its current statutory termination date of June 30, 2007.
- An ongoing effort by the Legislature to make three-year appropriations for general, supplemental general, and special education state aid in order to give school districts a longer planning horizon.
- Consideration by the Legislature of various proposals concerning the mission, governance, and funding of technical education.
- The addition of \$34.0 million in FY 2008 and another \$34.0 million in FY 2009, for a total of \$102.0 million including the existing FY 2007 base of \$34.0 million, for postsecondary state aid for technical schools and colleges.
- Support for the Kansas Board of Regents to look at ways teacher education programs at the state universities could be restructured to prepare teachers to meet the needs of a growing number of Kansas students who are English Language Learners.
- Encouragement for the appropriate standing committees of the Legislature to review the policies of the Department of Social and Rehabilitation Services (SRS) regarding administrative fees charged to administer various Medicaid reimbursement programs to consider whether the fees could be reduced or eliminated.
- Encouragement for the Joint Committee on State Building Construction, the Senate Ways and Means Committee, and the House Appropriations Committee to review the Board of Regents' facilities request and perhaps develop a multi-year plan to address the building needs of the campuses.

Proposed Legislation: The Committee recommends the introduction of ten bills.

BACKGROUND

The Legislative Educational Planning Committee (LEPC) is a statutorily-authorized committee with jurisdiction over preschool,

elementary, secondary, and postsecondary education. The Committee is charged statutorily with monitoring the implementation and ongoing operation of the Kansas Higher Education Coordination

Act (KSA 74-3201 *et seq.*). Legislation enacted by the 2005 Legislature changed the Committee's role to exclude matters relating to school finance from its purview. This action eliminated duplication between the LEPC and the 2010 Commission, a new entity created by the 2005 Legislature which is responsible for monitoring school district funding.

The LEPC consists of seven House members and six Senate members appointed by the Legislative Coordinating Council (LCC). The Committee may initiate its own studies or be assigned proposals by the LCC. The LCC assigned the Committee the following three studies during the 2006 Interim:

- A review of scholarships with service obligations that are administered by the Kansas Board of Regents, including scholarships administered by the University of Kansas Medical Center and the Kansas State University Veterinary Medical Center.
- A review of existing therapy programs for autistic children and the need to improve or expand such services to achieve early intensive intervention for children with autism.
- A review of 2006 SB 596 which deals with state educational performance standards for students and a consideration of the consequences of modifying the standards in terms of federal funding.

Elementary and Secondary Education

Services for Autistic Children

The LCC directed the Committee to review services for autistic children at the initiative of Senator Dennis Wilson on behalf of Dr. Michael Wasmer, the parent of an autistic child. Dr. Wasmer told the Committee that families of autistic children

face the following obstacles:

- **Early and Accurate Diagnosis.** Early diagnosis of autism is critical, but the two places in Kansas where diagnoses are made are the Developmental Disabilities Center at the University of Kansas Medical Center and the Section of Developmental and Behavioral Sciences at Children's Mercy Hospital. Both facilities have waiting lists of about four months.
- **Early and Appropriate Intervention.** Dr. Wasmer cited research findings which report effective treatment of children with autism when children have early and intensive therapy. However, according to Dr. Wasmer, the Infant and Toddler Program, which is the point of entry for most newly diagnosed children with autism, does not always fully inform parents of best practices for autistic children and instead provides substandard therapy.
- **Insurance.** Parents who decide to pay for services directly often incur expenses in excess of \$30,000 a year, which insurance companies usually do not pay. Companies also do not pay for related services, such as speech and occupational therapy.
- **School District Special Education Programs.** According to Dr. Wasmer, most school districts are not prepared to provide intensive programs for autistic children, primarily because of the cost.
- **Shortage of Trained Personnel.** The University of Kansas has two programs that train providers of educational services to autistic children—the Department of Applied Behavioral Sciences and the Department of Special Education. The State Board of Education licenses only graduates of the Department of Special Education to work in the public school system and recognizes only them for special

education reimbursement, but, according to Dr. Wasmer, it is often graduates of the Department of Applied Behavioral Sciences who provide intensive services to autistic children paid for by their families.

Dr. Wasmer requests that the Legislature enact legislation to do the following:

- Create a **Legislative Autism Task Force** to recommend best practices for autistic children; align agencies that provide services for autistic children; access existing services for screening, diagnosis, and treatment for autistic children; and address the need to increase the pool of qualified professionals and paraprofessionals who can provide intensive behavioral therapy.
- Create an **Autism Insurance Task Force** to investigate insurance coverage of services for autistic children.
- Create an **Autism Registry** to provide accurate numbers of people with autism in Kansas in order to budget accurately for the cost of services, to improve current knowledge and understanding of autism spectrum disorders, and allow for complete epidemiologic surveys of the disorder.
- Provide an **additional funding source** for programs that provide evidence-based intensive behavioral therapy, including home-based programs provided by parents.
- Increase the **pool of qualified service providers** by enacting a scholarship program with a service commitment in order to encourage behavior analysts to stay in Kansas. In addition, encourage the State Board of Education to acknowledge officially behavior analysts in its certification process.

Regarding the latter recommendation, the State Board of Education licenses teachers as "adaptive special education teachers," who are qualified to work with all children who have learning problems and needs in the mild through moderate range, and as "functional special education teachers," who are qualified to work with children who have learning problems in the severe through profound range. These two categories of teachers are employed by school districts, are qualified to work with autistic children, and are counted for special education state aid reimbursement.

Behavior analysts currently can be hired by a school district as consultants, but do not generate special education reimbursement. However, the State Department of Education has developed a proposal which will be presented to the State Board for its consideration. The proposal would allow State Board certification for individuals who hold graduate degrees in applied behavior analysis and who are certified by the Behavior Analyst Certification Board. To be certified, the individual would have to complete a specified number of graduate level courses, meet experience requirements, and pass an examination. A certified individual would be eligible to work with autistic children as a specialist or related services provider in a school district or cooperative and could be counted for special education state aid reimbursement. If the State Board approves the proposal, it would take effect in the 2007-08 school year.

Another initiative is a proposal by SRS. The proposal would address the need for respite care, parent support and training, attendant care, social skills training, behavioral intervention, therapeutic daycare, and case management. Under the proposal, the Department would explore the option of obtaining a Medicaid waiver to allow services for children to be provided without regard to parental income and also to waive certain requirements in order to provide more services. Funding provided under the

program could not be used for services which other agencies already must provide.

COMMITTEE RECOMMENDATION

The Committee recognizes the importance of early intervention for children who have been diagnosed with autism and understands that an increasing number of children are being diagnosed with autism. The Committee agrees that more information is needed about the condition and appropriate treatment options. For that reason, it recommends that the Legislature consider the creation of a commission or task force to review services for individuals with autism up to the age of adulthood for purposes of identifying the most effective treatment methods and transition services following the completion of school; investigate ways to fund services for persons with autism, including insurance coverage, Medicaid payments, and any other revenue sources; and create an Autism Registry to provide an accurate count of people with autism in order to identify the need for services.

The Committee also encourages SRS to pursue the option of obtaining a Medicaid waiver to allow services for children to be provided without regard to parental income and to waive certain requirements in order to provide more services.

School District Audit Report on School District Personnel Shortages

Staff from the Legislative Division of Post Audit presented a performance audit entitled *Reviewing Issues Related to Developing and Retaining Teachers and School Principals*. According to the audit, almost 6 percent of all teaching positions in Kansas are vacant or are not filled by a fully qualified teacher. The term "fully qualified" can mean several things, but usually means the lack of one or more requirements, the most common being a proper teaching endorsement for the individual's assignment. The most severe

teacher shortages are in high-poverty districts, where 8.6 percent of all teaching positions are vacant or filled by teachers who are teaching out-of-field. Southwest Kansas has the greatest shortage (8.5 percent). By subject area, shortages are worse for special education (17.2 percent) and foreign language (11.2 percent).

About 16 percent of Kansas teachers change jobs each year (the same as the national percentage), with almost 9 percent leaving the system and more than 7 percent moving between schools. Attrition is worse among high-poverty districts (a 10 percent attrition rate compared to 8 percent elsewhere). Teachers in Kansas tend to move from west to east and away from rural and high-poverty districts.

Other findings in the audit include the following:

- Kansas' starting salary for teachers ranked 6th nationally in school year 2004-05, but salaries for experienced teachers ranked about 36th, with the overall salaries for Kansas teachers being 33rd nationally after adjusting for regional cost differences. The auditors concluded that these statistics could indicate that the long-term earning potential for Kansas teachers is limited.
- Annual salaries for Kansas teachers are low compared to similar professions, but hourly pay is comparable.

Several of the key findings based on the Kansas survey relate to leadership. For example, "teacher leadership" was cited by 36 percent of the respondents as the aspect of the work environment that most affected their willingness to remain teaching at their school, an aspect selected over "time during the work day" (16 percent), "school facilities and resources" (22 percent), "teacher empowerment" (22 percent), and "professional development" (4 percent). On another question, "support from school

administrators" was selected by 58 percent of the respondents as the most important influence on their future plans, over such influences as "teaching assignment" (43 percent), "salary" (42 percent), and "cost of living in the community where the school is located" (24 percent). The second highest influence was "effectiveness with the students I teach", selected by 52 percent.

Most interesting was the difference in perception between teachers and principals regarding leadership, with principals grading themselves higher on each item indicated. For example, 88 percent of the principals who responded said that there is an atmosphere of trust and mutual respect within the school, compared to 60 percent of teachers. Ninety-five percent of the principals said school leadership consistently enforces rules for student conduct, compared to 53 percent of the teachers.

COMMITTEE RECOMMENDATIONS

Elsewhere in this report, the Committee makes specific recommendations concerning teacher scholarships and the need for teachers of English Language Learners. The Committee considers that the Post Audit study serves to reinforce some of its concerns about the need to recruit and retain highly qualified teachers in hard-to-fill teaching disciplines, in parts of the state where there are teaching shortages, and in high-poverty school districts. In particular, the Committee is aware that an upcoming shortage of teachers may be critical and notes the importance of teacher mentoring, professional development, and other factors that contribute to a positive work environment, factors that will become increasingly important as the aging workforce retires and new teachers need to be hired.

Survey of Kansas Teachers and Principals

The Committee received a report from the Kansas-National Education Association concerning working conditions of teachers and administrators. A survey, entitled "Teacher Working Conditions" (TWC), was administered to educators across the nation and has been used to implement funding and policy changes in a number of states.

The survey shows that working conditions have a bearing on student achievement and teacher retention. Among the most important findings to emerge from TWC research are the following:

- Teacher working conditions are an important indicator of student achievement, an example being that higher school leadership correlates with a higher number of students at or above grade level.
- Teacher working conditions make a difference in teacher retention.
- Leadership is critical to improved teacher working conditions. Working conditions also are viewed differently by teachers and administrators: In every state in which the survey has been given, teachers rate their working conditions one full point lower than school administrators.
- Teachers view working conditions similarly, regardless of years of experience, degree level, or other variable.

Development and Implementation of Kansas Early Learning Guidelines

Kansas agencies that provide services to children, including SRS, the State Department of Education, the Department of Health and Environment, and other partners have developed the "Kansas Early Learning

Guidelines and Standards.” Guidelines and Standards will provide a common language and understanding for all early educators to use regarding children’s learning expectations, accomplishments, and capabilities. The collaborative effort will provide a framework for curriculum development and selection and is designed to help prepare children to enter school ready to learn.

COMMITTEE RECOMMENDATION

The Committee is pleased with the progress that has been made to develop the Kansas Early Learning Guidelines and Standards and looks forward to its full implementation. The Committee commends the agencies that worked together over a period of years for their efforts.

School District Nutrition Programs

Legislation enacted by the United States Congress requires “local wellness policies” that must be implemented by July 2006. Legislation enacted in Kansas directs the State Board of Education to develop nutrition guidelines for all foods and beverages made available to students in public schools during the school day. These guidelines must address providing healthful foods and beverages, physical activities, and wellness education with the goal of preventing and reducing childhood obesity.

The State Board of Education developed three levels of goals: basic (which meet the federal requirements for food service programs), advanced, and exemplary. It is up to local boards of education to select their own wellness policy. The only requirement is that they have a policy and that, in developing it, they take into account the State Board’s guidelines.

The State Department of Education held 12 training sessions around the state to educate food service workers and other school personnel about the guidelines.

These sessions were sponsored by the Kansas Health Foundation and were attended by more than 1,100 persons.

Activities underway in school year 2006-07 include the development of a new website which links the guidelines to additional resources and ongoing technical assistance from the State Department of Education.

Educational Programs for Children with Cochlear Implants

The issue of how to educate deaf students has its historical roots in two philosophies of how to deal with deafness—sign language and spoken communication. Controversy as to which is better—manualism or the oral method—has resulted in debates over the years and the division of some educators into two camps, some advocating one method and some advocating the other.

The specific topic before the Committee was educating children with cochlear implants. “Cochlear implants” were defined as follows:

A cochlear implant is a surgically implanted electronic device that can help provide a sense of sound to a person who is profoundly deaf or severely hard of hearing. Unlike hearing aids, the cochlear implant doesn’t amplify sound, but works by directly stimulating with electrical impulses any functioning auditory nerves inside the cochlea. External components of the cochlear implant include a microphone, speech processor, and transmitter.

The Committee learned that cochlear implants can be controversial and have tapped into the old disagreement about which mode of communication is best. According to one conferee, this is because the medical model views deafness as a

disability that requires a "fix," while the cultural model views deaf people as a cultural minority with its own language, history, and heritage.

The Kansas School for the Deaf supports a bilingual approach to educating deaf children and uses American Sign Language as the child's first language, with the development of English as a second language through reading, writing, and spoken language. The School supports the position that children with cochlear implants may become efficient oral communicators for social situations, but need sign language for critical or abstract thinking, problem solving, and assimilating new information.

A conferee before the Committee, Ruth Mathers, Campus Director of the St. Joseph Institute for the Deaf in Kansas City, described the Institute's program, which is based completely on oral communication. The maximum amount of time a child stays at the Institute is six years. Ages of the children served range from three to nine years and half of the 60 students at the Institute have come from school districts.

Ms. Mathers told the Committee that advancements in technology, including cochlear implants, provide a greater opportunity for deaf children to grown up in a hearing world. In her opinion, an auditory-oral education allows children to be placed in the local school setting at an early age with minimal support services. However, many school districts continue to emphasize sign language, in part because newly-trained teachers cannot provide auditory-oral services.

A public school special education director, Neil Guthrie, Division Director of Special Education/Support Services for USD 259 (Wichita), also discussed educational programming for children with cochlear implants. Mr. Guthrie said school districts are enrolling more students with cochlear implants because early identification of hearing loss is finding children at a younger

age who will benefit from the implants and physicians are making parents aware that early implantation may help a child enter school with near-age appropriate speech and language skills. As a result, more parents may ask school districts to provide their children with speech and listening skills as opposed to sign language. He noted that school districts are not financially responsible for providing surgically implanted devices for students with disabilities.

Mr. Guthrie acknowledged that controversy exists as to the proper method of educating children with cochlear implants. He said school districts must work with a variety of children who have different needs and cannot wed themselves to a single service delivery model. He said if cochlear implants are not done early enough, the child cannot be educated using the auditory-verbal method exclusively and some sign language must be used. He said his school district currently is looking for a teacher for a group of deaf students who will be taught using the auditory-verbal method, but one of the most difficult problems a school district faces is parents who demand only one teaching method and refuse to allow the district to use an alternative method. He said his school district tries to accommodate parents who want their deaf children educated using only the auditory-verbal method, but he said the district cannot guarantee that the child will not be around deaf children who use sign language.

Interlocal Agreement Proposal in Doniphan County

Two identical bills were introduced during the 2006 Session which would have authorized school districts to enter into interlocal agreements in order to operate shared schools. One bill, SB 2625, was introduced by Representative Jerry Henry to facilitate agreements for school districts in Doniphan County, although the policy had statewide applicability. Under both bills, participating districts would have had

authority to combine their assessed valuation for the calculation of the payment of the cost of new facilities and to divide debt evenly among the participants. The bills included a procedure for the issuance of bonds for capital projects, subject to protest and election.

HB 3012 was introduced by the House Select Committee on School Finance, which amended the bill to require an election prior to the issuance of any bonds; to provide that, if a majority of the voters in the participating districts voted in the aggregate to approve the bond issue, each district could issue the bonds; to provide that the aggregate amount of outstanding bonds issued by each district would be subject to a statutory debt limit; to provide that the debt service for any new facilities would be divided proportionately among the districts based upon the enrollment of each district; to provide that the combined assessed valuation of the participating districts may be used when calculating the amount of state aid for bond and interest; and to limit the school facilities weighting to two years.

HB 3012 was further amended on House General Orders to, among other things, require the closing of at least one school in each of the participating districts and eliminate the requirement that a school administrator be employed to administrate at the shared schools.

Neither bill was enacted by the 2006 Legislature. After the 2006 Session ended, Representative Henry notified the Committee that representatives of the school districts in Doniphan County had reached a new agreement. Because the agreement was not final and could not be presented to the Committee, he said it was his intention to introduce legislation to authorize the agreement during the 2007 Session.

Kansas Blue Ribbon Schools

The "Blue Ribbon Schools Program," which is part of the No Child Left Behind

Act, recognizes outstanding public and private schools that are making significant progress in closing the achievement gap. Schools qualify in one of two ways: They can serve at least a 40 percent disadvantaged population with dramatically improved student performance scores in reading and mathematics, or they can score in the top 10 percent of schools in the state in both reading and mathematics, regardless of demographics. There are 250 Blue Ribbon Schools nationwide, of which the following five are in Kansas.

USD 233 (Olathe)-Westview Elementary. Westview Elementary was labeled a failing school six years ago. Approximately 45 percent of the students are on the free lunch program and 15 percent on reduced lunches. The staff resolved to turn the school around and adopted several strategies. One was to become data-driven and to focus on improvement. Another was to target areas in which improvement is needed and teach those areas in each grade.

The school implemented after-school reading, math, science, and Spanish clubs and developed programs to encourage more parental involvement, such as Family Learning Nights. The school has Professional Learning Communities (PLCs), which employ a type of team teaching that, depending on the circumstance, brings together the several teachers who work with an individual child, along with supporting staff such as the school nurse or counselor, in order to identify the best way to help the student succeed. Implicit in the concept of PLCs is the need to give PLCs adequate time to meet and plan and to have high quality professional development programs in place. An outgrowth of PLCs is better focus on student needs and staff collaboration and teamwork.

USD 234 (Fort Scott)-Eugene Ware Elementary. In 2000, no reading scores in the school were equal to or above the state averages and only two of 24 mathematics

scores were equal to or above the state averages. A new principal had just assumed her position and she set about to improve student achievement. Among the strategies she used were the following:

- Have the staff function as a family unit united in purpose and effort.
- Have the staff realize the value of each person's part in the success on assessments.
- Have the staff be confident that the "teacher next door was capable of doing everything that I do."

The school became "data conscious" in school year 2000-01; began PLCs in school year 2001-02; implemented new reading and math programs in school year 2002-03 and provided training for the entire staff; implemented additional programs in school year 2003-04 and added one-hour common planning times for each grade level; and in school years 2004-05 and 2005-06 created extended-day learning opportunities and continued grade level and cross grade level collaboration. As a result of these efforts, 100 percent of the students scored at "Proficient" and above on the 2005 Kansas Mathematics Assessment and 95 percent scored at "Proficient" and above on the 2005 Kansas Reading Assessment.

USD 402 (Augusta)-Garfield Elementary. A strategy the school developed is after-school tutoring, which is small groups of three to five students who obtain individualized instruction that targets specific learning needs. Tutoring is provided by a team of three teachers for each grade level and attendance for a student who is struggling is mandatory. Future plans include fitting the tutoring into the school day, directing more attention to students with Individual Learning Plans (ILPs), and implementing more early intervention programs to address emotional issues that affect learning.

USD 470 (Arkansas City)-Francis Willard Elementary and IXL Elementary. The district enrollment is comprised of 35 percent minority students and 61 percent students on free and reduced lunches. Because of the high at-risk population, the district decided it needed to develop a district-wide strategic plan which addressed facilities, staff, student achievement, student life issues, technology, and other components of elementary-secondary education. The plan, adopted by the local board in November 2004, identifies activities necessary to achieve each goal, the person accountable for the activity, when the activity will be implemented and completed, what resources will be needed, and how progress will be measured.

Preliminary data for fall 2006 indicate that all schools are meeting adequate yearly progress, a marked improvement over 10 years ago when only one in three students was reading at grade level and math scores were declining. The turn-around is attributed to strategic planning, data-driven educational designs, and professional development which involves outside experts and "internal experts" who work with other teachers.

USD 233 (Olathe)-Regency Place Elementary. One of the school's strategies is "vertical teaming," whereby teachers meet with teachers in one grade level below and one grade level above. Vertical teaming helps teachers integrate what they are teaching into a more seamless learning experience for the child and better prepare students for the next grade.

COMMITTEE RECOMMENDATION

The Committee is proud that five Kansas schools were selected as this year's Blue Ribbon Schools and applauds them for their accomplishment. In reviewing their presentations, the Committee noted both similarities and differences among the schools and believes that what the schools

have done to attain distinction serves as models for other schools to follow. The Committee also commends the administrators and teachers at the schools for the personal and professional efforts they have made to create learning environments that help all students perform better.

Medicaid Payments to School Districts

School districts are eligible to receive Medicaid reimbursement for medically necessary services in a school setting. At one time, schools received the money on a fee-per-service basis, which was costly and time-consuming to claim. As a result, many districts could not afford to calculate the reimbursement they were due.

To make it easier for districts to receive reimbursement, "bundled" rates were approved so that, for each of 15 separate categories of disabilities, school districts receive a flat rate reimbursement. In Kansas, the program formerly was administered by SRS. It now is administered by the Kansas Health Policy Authority. At the federal level, the Medicaid program is overseen by the Centers for Medicare and Medicaid Services. To ensure that programs in Kansas are compliant with federal Medicaid and Medicare rules and regulations and with the Kansas plans for Medicaid and Medicare, audits are conducted by the United States Health and Human Services Office of the Inspector General (OIG).

The immediate issue before the Committee was that five OIG audits of school districts and Medicaid payment policies have identified problems. Some of these audit findings have resulted in Kansas refunding Medicaid payments; others currently are being appealed. All of the audit findings pertain to payments prior to FY 2003.

A summary of the audits and an explanation by the Chief Financial Officer for the Kansas Health Policy Authority of action currently being taken are as follows:

- **School District Administrative Functions.** Beginning in FY 2001 and through April 2005, 156 school districts in Kansas received a total of \$9.7 million to perform administrative functions such as outreach, eligibility intake, information and referral, health service coordination and monitoring, and interagency coordination. Based on an audit of \$2.8 million in Medicaid reimbursements made in FY 2002 to four school districts, OIG concluded that errors were made that resulted in the districts receiving \$293,182 for which they did not qualify.

Kansas officials do not agree with the finding because the particular requirement cited in the audit was not a requirement until FY 2003.

- **Application of Bundled Rates.** During the period from FY 1998 through FY 2003, bundled rate payments were made for the entire year, not for the nine months of the typical school year, resulting in an overpayment of \$13.9 million.

Kansas officials agree that the rate payments should have been made only for a nine-month period. A subsequent reimbursement to Kansas was reduced to adjust for the excess payment.

- **Claimed Costs for School-Based Health Services.** An OIG audit of 300 claims submitted by three school districts found that the districts provided incorrect or inadequate instructions to local school districts on submitting claims, resulting in claims that were unallowable because services were not rendered or the claims did not include the required prescriptions or referrals. According to OIG, many services lacked documentation for items such as place of service, type of service rendered, and units of service provided. OIG contends that, for the three districts, \$5.1 million in Medicaid reimbursement should be

refunded. Further, it recommends that Kansas assume the same incidence of error statewide and calculate an amount that should be refunded for all districts in the state.

Kansas officials are challenging the finding for several reasons. First, they do not believe a physician's order is required for some of the services deemed unallowable, as OIG contends, and they do not believe the findings for the three districts are representative of the state as a whole. To ensure that school districts are fully aware of federal requirements, Kansas officials have provided increased oversight of school districts regarding supporting documentation of claims and have provided additional billing instructions.

- **Inflation Adjustment of Bundled Rates.** OIG found that Kansas did not periodically adjust the bundled payment rates for inflation in the manner required, resulting in overpayments to school districts from FY 1998 through FY 2003.

Kansas officials agree that the appropriate inflation rates were not used, although the rates used were not applied each year, meaning that, overall, the state probably received less Medicaid reimbursement than it was entitled to, rather than more. Presently, the state is working with the federal government to determine if the rates should be adjusted or recalculated and to refund any identified overpayments.

- **Development of Bundled Rates.** The bundled rates in Kansas were developed using cost and utilization data of special education students in six school districts. OIG found that these original rates were not developed in compliance with federal requirements and the State Plan, nor did the state have adequate internal controls to ensure that it correctly developed the payment rates.

The audit recommends that Kansas refund \$18.5 million which had been reimbursed based on incorrect indirect cost rates.

Kansas officials concur with the audit findings and have refunded the \$18.5 million. They also have agreed to continue efforts to ensure that the school district Medicaid program complies with all federal requirements.

The Chief Financial Officer for the Authority who met with the Committee said the Authority has increased oversight of the program through contractual changes and improved training for schools. The state also initiated a new contract in January 2005 with Public Consulting Group to revise the administrative claiming process to meet new requirements imposed by the Centers for Medicare and Medicaid Services, based on the comments of OIG. The Chief Financial Officer told the Committee that, in some instances, the contractor hired by SRS to administer the program "inadvertently advised" school districts regarding the program, which resulted in some of the problems cited by OIG. He said it also was possible that incorrect information was given by SRS officials to school districts.

According to the Chief Financial Officer, in its negotiations with the federal government, the state is taking the position that too many years have passed to expect the state to repay all of the money that is being contested. Further, it is unfair to expect reimbursements for actions taken by school districts that complied with the federally-approved Kansas State Plan which was in effect at the time.

The main concern of the Committee is that Kansas be in compliance with federal requirements that are applicable to the school district Medicaid program. If state policy is contrary to federal requirements, the possibility exists that the state will incur ongoing violations and penalties. Medicaid

reimbursement to school districts is estimated to be \$35.0 million in FY 2007. If some or all of this money were to be disallowed because of failure to comply with federal requirements, the money either would have to be made up from some other source or school districts would get less special education funding than estimated.

A second concern is that the Health Policy Authority receives approximately \$1.5 million as an administrative fee to perform duties related to Medicaid reimbursement to school districts. This is a little more than 4.0 percent of the state's total allotment, an amount that could be given to schools to increase their reimbursement for medical expenses to special education students rather than being kept at the state level.

The Chief Financial Officer of the Authority told the Committee that the Authority has changed its regulations to bring Kansas into compliance with regard to the OIG finding that some claims were unallowable because they did not include the required prescriptions or referrals. The Authority will continue to work with OIG to address other problems identified in the audits.

The Chief Financial Officer also told the Committee that the fee assessed by the Authority includes payments to the contractor used to calculate the bundled rates and to determine the amount of administrative costs claimed by the districts. The fee also is intended to help offset the cost to the state of processing the payment. The representative of the Authority told the Committee he would begin discussions within the Authority as to whether it is possible that the fee could be reduced or eliminated.

COMMITTEE RECOMMENDATION

The Committee is satisfied that the Authority has responded to its initial

concerns regarding the OIG audits and has implemented changes to keep Kansas in compliance with federal requirements. The Committee intends to monitor Medicaid payments to school districts and requests that the Authority report to it during the 2007 Interim on developments relating to the audits of the program, including resolution of disputes with OIG; outcome of discussions regarding continuation of the administrative fee; and ongoing discussions with the federal government about whether states will be allowed to continue to bundle claims for Medicaid reimbursement or whether they will have to revert to other methods, such as fee-based reimbursement. (The Chief Financial Officer of the Authority estimates that school districts would receive less than 30 percent of the Medicaid reimbursement than they do now under a fee-based system. That is because the fee-based system is so time consuming and potentially costly to administer that some school districts would discontinue making claims.)

Having been told that it is possible that the administrative fee charged school districts by the Authority could be reduced or eliminated, the Committee suggests that the appropriate standing committees of the Legislature obtain information on fees charged by SRS to administer other Medicaid programs, including programs to Community Developmental Disability Organizations. The Committee also requests that SRS report back to it during the 2007 Interim concerning Medicaid administrative fees which are assessed entities such as the Community Developmental Disability Organizations, what they are used for, and whether they can be reduced or eliminated.

Recommendations of the At-Risk Council

Dr. Andy Tompkins, former Commissioner of Education and Chairperson of the At-Risk Council, presented the Council's recommendations to the Committee. The six-member Council was

created by the 2005 Legislature to make recommendations to the 2010 Commission and to the Governor by October 1, 2006. A final report is due by October 1, 2007.

The Council reached a number of conclusions, including the following:

- The Council continues to believe that the best state proxy for identifying at-risk students is poverty, whether that be measured by free or free and reduced price lunches.
- The Council notes that student achievement on state assessments has improved in elementary and middle schools, but little at the high school level. The Council believes that there needs to be a better understanding of the achievement gap at the secondary level to include examination of dropout, graduation, and attendance rates.
- The Council believes that a single tool, such as state assessment scores, is too narrow to determine if a child is at risk.
- The Council affirms the work of the Kansas Legislature and Governor in differentiating at-risk funding with the core funding being decided on poverty and the second level of funding taking density into account. The Council believes that the third level of funding at-risk students based only on student proficiency on the state assessments for those who are not on the free lunch program is an interesting and potentially effective approach that needs further study.

The specific recommendations of the Council are the following:

- The Council recommends that the second level of funding for at-risk students, which is the high density formula, be based on the prior year's data and implemented using a linear transition calculation. The Council

believes that the density formula needs to be reviewed periodically to ensure that it is taking into account all areas of the state and that it is adding value to student learning.

- The Council affirms that the third level of funding, Non-Proficient At-Risk Weighting, be for students who are below proficiency and not on free lunch. Also, the Council recommends that the 2010 Commission study the impact of this provision and that the formula which distributes the funding should be simplified if the weighting remains in effect beyond its current statutory termination date of June 30, 2007. Further, the Council notes that the student improvement team practice currently utilized in the schools should be helpful in identifying the results of this initiative.
- The Council recommends the continued support of the data system being developed and implemented by the Kansas State Department of Education as a critical component in the ongoing understanding of the achievement gap of at-risk students. Furthermore, the Council supports the implementation of 2006 SB 549 which requires the State Department of Education to provide performance and financial accountability for the use of at-risk funding. Additionally, the Council recommends that the Kansas State Department be supported in its efforts to be a resource for schools in identifying successful programs and strategies for helping at-risk students.
- The Council recommends that the Department of Education periodically reevaluate the existing criteria for the determination of a student to be in need of at-risk services to include consideration of the use of at-risk funds on specific professional development to serve at-risk students such as behavior management training.

- The Council recommends that the 2010 Commission authorize follow-up studies on early career teachers who leave the profession to determine what factors contribute to their leaving, as well as successful practices needed to recruit and retain highly qualified teachers.

COMMITTEE RECOMMENDATION

The Legislative Educational Planning Committee is specifically exempted from dealing with matters relating to school finance as the result of legislation enacted by the 2005 Legislature. The rationale for that action likely was to avoid duplication among the Committee, the 2010 Commission, and the At-Risk Council.

The Committee reviewed the report of the At-Risk Council and in general supports a number of its recommendations. Because the Committee cannot recommend the introduction of school finance legislation, it expresses its hope that legislation will be introduced during the 2007 Session to extend the Non-Proficient At-Risk Weighting beyond its current statutory termination date of June 30, 2007, as recommended by the Council.

Montoy et al. v. State of Kansas

The Committee received a staff report summarizing the Kansas Supreme Court decision in *Montoy et al. v. State of Kansas*. In its decision, the Court ruled that the Legislature had substantially complied with the Court's prior orders to correct flaws in the School Finance Act. The Court stated that the constitutionality of 2006 SB 549 was not before it and noted that the Legislature will have provided at least \$755.6 million in additional funding for elementary and secondary education by school year 2008-09. The Court also lifted the stay it had placed on two provisions contained in the 2005 legislation and dismissed the appeal.

School District Collaborative Efforts

The Committee received a report from the Kansas Association of School Boards on school district collaborative activities. The report showed that certain categories of school personnel, such as superintendents, assistant superintendents, and administrative assistants, have decreased, while other categories, such as reading specialists, kindergarten, and pre-K teachers, have increased. Superintendents in many school districts have additional duties, such as serving as director of Quality Performance Accreditation, as principal, director of transportation, business manager, or other position. Twelve districts share superintendents.

Budget Preparation Time Line

State Department of Education staff reviewed the time line for school district budget preparation. The process usually begins in December with districts conducting a needs assessment and receiving budget requests from attendance centers. In March and April, local boards of education review requests and consider tentative budget projections in the event it is necessary to notify staff that reductions are necessary.

In May, the Legislature adjourns and districts know how much money will be available. In June, actual preparation of budgets begins, with public hearings on the budgets being held in August. Local boards adopt budgets in August and submit them to the State Department of Education and to county clerks by August 25.

According to the State Department of Education, school district budget preparation has been difficult in recent years when the amount of the legislative appropriation has not been known until late in the process, especially in 2005 when there was a special session. Districts are helped by the adoption in 2006 of a multi-year plan which lets them know that the expected

appropriation will be for the next three fiscal years.

COMMITTEE RECOMMENDATION

The Committee recognizes the benefit to school districts of multi-year funding for school finance and the advantage it gives them in terms of planning for several years at a time. For that reason, it recommends that the Legislature annually make a three-year appropriation for general, supplemental general, and special education state aid, as it did during the 2006 Session for FY 2007, FY 2008, and FY 2009.

Career and Technical Education

The Committee heard testimony from representatives of the State Department of Education and private sector employers. They told the Committee that "vocational education" has developed into career and technical education and no longer involves such courses as woodworking and "bread and thread" home economics classes. This is because current demands require a much higher level of academic knowledge and technical skills. Further, the skills must continue to develop as jobs become more specialized.

One point made was that greater effort must be made to make teachers and counselors aware of career opportunities for students and to direct students toward a career education. Because parents, counselors, and teachers continue to promote college-bound curricula even though a baccalaureate degree is not necessary for many jobs, blue collar positions remain unfilled. An example, according to one conferee, is that the aviation industry in Wichita has an unmet need for 4,000 employees.

The Chairperson-Elect of the Kansas Advisory Committee on Career and Technical Education identified the following problems with technical education in Kansas:

- The workforce is getting older and will need to be replaced.
- The education system is steering young people away from technical education, in part because the demands of the No Child Left Behind Act leave no time for elective classes.
- Very little career counseling is being done.
- Tight budgets have forced many schools to eliminate career and technical education classes.

The Committee also received a report on the activities of the Technical College and Vocational School Commission created by the 2006 Legislature by a proviso in an appropriations bill. The Commission will make its final report by the beginning of the 2007 Legislature. Among the things the Commission has considered is a proposal by staff of the Kansas Board of Regents to merge or affiliate technical colleges with a community college or four-year institution.

Representatives of the Kansas Association of Technical Schools and Colleges met with the Committee and said the Association was in the process of developing a proposal that would be an alternative to the proposal of the Board of Regents staff, which at this time was not fully developed. They indicated it would be a statewide system of technical institutions with a state-level coordinating body which would speak with one voice for workforce development and would have representation from technical institutions statewide. They indicated that a major component of their recommendation would be the need for more funding and cited the State of Georgia as a model for workforce training. Georgia, which has a population three times the size of Kansas, spends an estimated \$300.0 million on technical education compared to \$34.0 million spent in Kansas.

COMMITTEE RECOMMENDATION

The Committee has a long-standing history of support for technical education and believes the time has come for the Legislature to devote attention to the mission, governance, and funding of vocational schools and technical colleges. The fact that the Board of Regents is considering recommendations, that the 2006 Legislature created a Commission to study workforce training, and that the Association of Technical Schools and Colleges is developing its own recommendations indicates that unresolved issues have emerged which need to be addressed. For that reason, the Committee makes the following recommendations:

- Recommend that the 2007 Legislature take under consideration the recommendations presented by the Kansas Board of Regents, the Technical College and Vocational School Commission, the Kansas Association of Technical Schools and Colleges, and any other related proposals. The LEPC itself does not endorse any particular proposal at this time because such action would be premature, but it wants to call attention to the work that is being done in the area and stress its importance.
- Recommend \$34.0 million of additional funding in FY 2008 and another \$34.0 million in FY 2009 (total funding of \$102.0 million) for technical institutions. The figures are based on information provided about the State of Georgia, which spends \$300.0 million on technical education and has a population three times that of Kansas. If Kansas spent proportionally to Georgia, it would spend \$100.0 million annually on technical education. The Committee is well aware that the recommendation is based on a figure that was cited during Committee discussion and not on a careful analysis of the true need for additional funding in Kansas. The Committee's purpose in making such a

recommendation is to make a dramatic gesture to call attention to the fact that it believes funding for technical education is inadequate and that more money is necessary in order to make Kansas a state that, like Georgia, is recognized for the quality of its technical education and responsiveness to workforce needs.

- Recommend that legislation be prefiled to extend the Technical College and Vocational School Commission another two years and require that the Commission make annual reports to the LEPC.

Charter Schools

The State Department of Education made a report to the Committee on charter schools. Charter schools in Kansas are under the jurisdiction of local boards of education which are responsible for allocating staff and funding for the schools. A petition to begin a charter school may be submitted to a local board by any entity, including the district itself, a school, a school district employees' group, or an educational services contractor. A petition to establish or continue a charter school must describe the educational program of the school; program goals and measurable pupil outcomes; an explanation of how pupil performance in achieving specified outcomes will be measured, evaluated, and reported; and the governance structure of the school, including the means of ensuring accountability to the local board. Petitions to establish or continue charter schools must be approved by both the local board and the State Board of Education.

Currently, there are 28 charter schools in 24 school districts. The State Board of Education approved three new charter schools for the 2006-07 school year and two schools were discontinued. Of the schools, 56 percent are high school, 21 percent are elementary and secondary through the 12th grade, 17 percent are elementary and

secondary through the eighth or ninth grade, and 4 percent are elementary only. Kansas recently received a federal charter school grant which will provide \$10.0 million over a three-year period, of which \$9.4 million will be in grants to schools and the remainder will be for administrative and indirect costs.

Some charter schools decide to discontinue their status, often reverting to regular attendance centers within the district. This can happen for a variety of reasons but often is correlated with the availability of federal funding to either establish or maintain charter schools. If the funding ends, the school may no longer be able to operate.

COMMITTEE RECOMMENDATION

The Committee supports charter schools because they provide an opportunity for innovation and alternative ways to meet the needs of students. It believes that charter schools serve as incubators to test and develop new ideas that can be adapted to other settings and encourages the Legislature to consider incentives to expand the number of charter schools in the state.

Enterprise Data Warehouse Project

The Committee received a report on the "Enterprise Data System" being developed by the State Department of Education which will be used to support decision making and reporting. The system was begun in 2006 and will be completed in 2009.

The system will:

- Make data accessible.
- Reduce the reporting burden on local districts and the State Department of Education.
- Connect numerous data reporting systems that presently are not integrated.

- Make information more accessible to the public.
- Give policy makers better information on which to base decisions.
- Provide a better way to track and measure student progress.

School Accreditation and Student Performance

The LCC charged the Committee with a review of 2006 SB 596 which dealt with state educational performance standards for students, and also directed the Committee to study the consequences of receiving federal education funds if the state educational performance standards were to be modified.

SB 596, introduced by Senator Vratil, would prohibit a public agency, defined to include the State of Kansas, any department, agency, board, or school district, from spending public money to adopt, implement, or enforce school accreditation guidelines or standards which establish or are based upon a *requirement* of student performance or student proficiency. However, the bill would not prohibit the State Board of Education from establishing school accreditation standards which establish or are based upon improvement in student performance or student proficiency *goals*. The impact of the bill would be to prohibit the State Board of Education from adopting accreditation guidelines or standards which require Kansas students to attain the performance and proficiency standards of the No Child Left Behind Act. Nothing would prevent the State Board of Education from setting those standards as desirable goals for Kansas students to meet.

Federal funding under the No Child Left Behind Act is expected to total \$174.7 million in FY 2007, which is only a slight increase (\$3.2 million) over FY 2006. The rough rule of thumb for the amount of

money a state would lose if it failed to comply with the Act is 2.5 times the state's Title I funding. In Kansas, that amount would be \$250.0 million. According to the National Conference of State Legislatures (NCSL), no one really knows what the federal government would do if a state tried to "pull out" of the No Child Left Behind Act. To date, Utah is the only state that seriously has considered the action and, according to NCSL, the federal government made considerable efforts to keep Utah from withdrawing.

COMMITTEE RECOMMENDATION

The Committee is concerned about the increasing demand placed on states by federal requirements which erode the states' traditional role in determining what is best for students. For that reason, it recommends the introduction of legislation which would prohibit a public agency, defined to include the State of Kansas, any department, agency, board, or school district, from spending public money to adopt, implement, or enforce school accreditation guidelines or standards which establish or are based upon a requirement of student proficiency. The bill would not prohibit the State Board of Education from establishing school accreditation standards which establish or are based upon improvement in student performance or student proficiency goals. The impact of the bill would be to prohibit the State Board of Education from adopting accreditation guidelines or standards which require Kansas students to attain the performance and proficiency standards of the No Child Left Behind Act. However, nothing would prevent the State Board of Education from setting those standards as desirable goals for Kansas' students to meet. Failure of a school to attain the State Board's goals would not jeopardize the schools' accreditation. The bill also would provide that programs created with or expanded by federal funds may be reduced or eliminated if the federal funds are reduced or eliminated.

Student Assessments

The Committee received a report from the State Department of Education on the most recent student assessments, including a review of the process by which the assessment instrument is developed. The assessments, developed in Kansas for Kansas students, are intended to provide information on individual students, classes, schools, districts, and subgroups and are the basis for measuring student achievement under the No Child Left Behind Act.

School districts that meet or exceed their annual goal of student progress in reading and mathematics are considered to have met "Adequate Yearly Progress" (AYP). Based on preliminary data for school year 2006-07, 264 out of 300 school districts made AYP. School year 2006-07 also was the first year of full testing for all of the grades required by the No Child Left Behind Act. In addition, fewer exceptions were allowed for participation. It should be noted that, under the Act, if one subgroup fails to meet AYP, the entire school fails to meet AYP. The State Department of Education itself also underwent staffing changes, developed new tests, and changed how the test results were reported to schools.

There is a series of sanctions under the No Child Left Behind Act for schools and districts that fail to attain AYP, ranging from the opportunity for parents to choose another school for their children to a restructuring plan imposed by the state. Based on preliminary 2006-07 data for Title I schools, there are 26 schools and 11 districts identified for improvement. Of the schools, 11 are on the list because of mathematics, 11 because of reading, and three are on the list for both mathematics and reading. Twelve schools are on the list for the first time. These schools and districts must make AYP for two consecutive years to be removed from the list.

In general, student achievement continues to rise in Kansas and more than 1,200 of the 1,414 public schools made AYP in the 2005-06 school year. These schools meeting AYP represent 85 percent of the schools in the state and have met AYP even though the targets have increased incrementally since 2000 when Kansas started testing students under the No Child Left Behind Act. Nationwide, based on data reported in September 2006, the national average for schools making AYP was 71 percent.

COMMITTEE RECOMMENDATION

The Committee is pleased that Kansas students and schools continue to make progress toward achieving proficiency. It encourages the State Department of Education to strengthen its relationship with school districts by making assessment data available as quickly as possible in the school year. However, the Committee is mindful that more tests were given in the 2006-07 school year and that changes occurred in the State Department which help explain why information was late in getting to school districts.

POSTSECONDARY EDUCATION

Issues Concerning Community Colleges

Dr. Edward Berger, President of Hutchinson Community College and Area Technical School, and Chairperson of the Finance Committee of the Kansas Association of Community College Trustees, gave an overview of the community college role and mission. He told the Committee that community colleges are responsive, affordable, and accessible and traditionally have been a low-cost alternative for students who seek additional education. He noted, however, that student tuition continues to rise, with the average hourly rate increasing from \$30.89 in school year 1999-00 (\$463 per semester for a full-time student) to

\$43.81 in school year 2006-07 (\$657 per semester for a full-time student), an increase of about 40 percent.

A major development for community colleges was the enactment of the Higher Education Coordination Act (SB 345) in 1999. The major provisions of the Act as they affected community colleges are the following:

- Community college coordination was moved from the State Board of Education to the Kansas Board of Regents.
- Funding for community colleges was changed from a per-credit-hour basis to a block grant linked to the per-full-time equivalent (FTE) pupil appropriation for lower division courses at the three regional state universities, and was supposed to increase in equal increments over a four-year period from 50 percent to 65 percent.
- Local tax relief was provided by the requirement that 80 percent of a portion of increased state aid over the prior year had to be dedicated to tax reduction.
- County out-district tuition was phased out over a four-year period, with the lost revenue from the county made up by the state.

Despite the intentions behind SB 345, revenue shortfalls have caused the reality to be that the goal of community college state aid equaling 65 percent of the FTE appropriation to the regional universities never has been attained. Instead, implementation of the Act peaked at 55 percent in the second year of the four-year plan. According to Dr. Berger, it would take an additional \$116.0 million to fund the 65 percent level with the current community college enrollment. Further, institutions have lost a total of \$4.2 million in recent years because the Legislature has not appropriated money to local units from the

Local Ad Valorem Tax Reduction Fund. In all, state aid to community colleges has increased from \$58.7 million in school year 1999-00 to \$96.2 million in school year 2006-07, an increase of \$37.5 million (63.8 percent).

Dr. Berger told the Committee that, although there is a tax-reduction feature in the legislation, failure of the Legislature to adequately fund the state aid portion of the funding mechanism resulted in mill levy reductions only in the first two years after the legislation was implemented. Currently, property tax support for community colleges is higher than before the implementation of SB 345, with total mills levied for the institutions being 469.18 in school year 1999-00 compared to 496.02 in school year 2005-06.

Dr. Berger said the Kansas Association of Community College Trustees remains committed to the goals of the Higher Education Coordination Act, but wants the Legislature to fulfill its commitment to adequately fund the legislation. The Association endorses performance funding as a way to ensure continuous improvement but requests a new, separate revenue source for business and industry training (perhaps the Economic Development Initiatives Fund) and a differential funding source for developmental programs. Dr. Berger pointed out the particular funding problems associated with providing high cost programs, such as allied health and fine arts, and addressed the need for funding to pay for facility repairs and upgrades.

Committee staff also presented information about community colleges, including a summary of 24 studies of postsecondary education spanning the years 1972 through 1998.

Activities of the Jones Institute for Educational Excellence

The Jones Institute for Educational Excellence, located at Emporia State, is

engaged in a number of activities that affect teachers and school districts. The Committee receives a report annually on its activities, which include the following:

The Center for Innovative School Leadership. The Center for Innovative School Leadership was created by the Legislature in 2004 and involves Emporia State, Fort Hays State, and Pittsburg State Universities. Its purpose is to work with public school districts to identify best practices, cost savings, and potential efficiencies in the areas of leadership, teaching and learning, facilities management, and human resources.

Participation is voluntary on the part of the school district. Once a school district indicates it wants to participate, the Center surveys administrators and board members, teachers, classified staff, parents and patrons, and students on issues such as efficiency of the central office, adequacy of the district's educational programs, quality and cleanliness of facilities, and safety of the school environment. Team members conduct on-site visits to the district and at the end of the process a final report is created and given to the district's superintendent. The final report includes all information pertaining to the effectiveness and efficiency review, including team member reports, comparative data, results of the surveys, and a detailed conclusion of the Center's findings.

During the 2005-06 school year, efficiency reviews were conducted in the following six school districts:

- USD 210 (Hugoton)
- USD 235 (Uniontown)
- USD 355 (Ellinwood)
- USD 423 (Moundridge)
- USD 418 (McPherson)
- USD 218 (Elkhart)

Reading Recovery Program. Sixty-eight school districts in Kansas use the Reading Recovery Program, which is a reading

intervention program for first-grade students who find learning to read and write difficult. In 2005, 1,069 students were served by the Program. In that same year, 80 percent of those students completing an average of 18 weeks of intervention were finally able to read and write within the average or above compared to their peers. According to staff from the Jones Institute, reading and writing gains are sustained at least through the fourth grade.

National Board Certification Program.

The National Board for Professional Teaching Standards was formed in 1987. Its mission is to advance the quality of teaching and learning by developing professional standards for accomplished teaching, creating a voluntary system to certify teachers who meet those standards, and integrating certified teachers into educational reform efforts. The performance-based assessment takes between one and three years to complete and measures what accomplished teachers should know and be able to do. There are more than 47,000 National Board Certified Teachers nationwide, including 204 in Kansas.

Future Teacher Academy. Over the past 17 years, the Kansas Future Teacher Academy has graduated more than 840 Kansas high school juniors and seniors who intend to enter the teaching profession. The vast majority of Kansas school districts have been represented in the Academy. A survey of 335 participants attending the 1989–1997 academies indicated the following:

- 92 percent of the participants stayed in Kansas to attend college.
- 65 percent selected teacher education as their field of study.

Nursing Shortage Initiative Update

Staff from the Kansas Board of Regents provided information on activities of the

Board to address the nursing shortage in Kansas. The Board had been asked by the 2005 Legislature to prepare a report assessing the cost of increasing capacity for educating registered professional nurses by 25 percent and to submit a time line for expanding the system to accommodate up to 250 more nursing students each year. The Board reported that the total number of nurses needed by 2010 is 28,973, of whom 11,350 will be new nurses.

The Committee learned that, in the opinion of the Board's staff, the problem is not the number of potential nursing students in the pipeline, but the nursing training capacity of the education system in terms of qualified nursing faculty, clinical access, classrooms, and equipment needs. The Board's recommendations to increase the number of registered professional nurses are the following:

- Initiate a Tuition Forgiveness Program funded by the Legislature which is targeted to nurses with a bachelor of science degree who are willing to obtain a master's degree in nursing, remain in Kansas, and teach nursing at the postsecondary level.
- Provide 22 eligible nursing programs the opportunity to hire additional nursing teaching faculty. (The 22 eligible nursing programs are public four-year universities and community colleges that have nursing programs.)
- Provide 22 eligible nursing programs the opportunity to purchase nursing clinical equipment (patient simulators), supplies, and facility upgrades.

The Regent's staff estimated that the time line to successfully increase the number of registered professional nurses in Kansas is 10 years.

The 2006 Legislature appropriated a total of \$3.4 million, which will require \$2.3

million in matching funds from participating institutions. The 10-year initiative is expected to total \$30.0 million, with \$22.0 million coming from the state and \$8.0 million in matching funds coming from participating educational institutions. The distribution for FY 2007 of the \$3.4 million is as follows:

- Nursing faculty scholarships—\$200,000 from the State General Fund, plus a \$100,000 match.
- Nursing faculty salaries and supplies—\$1.2 million from the State General Fund, plus a \$1.2 million match.
- Nursing equipment upgrades—\$2.0 million from the State General Fund, plus a \$1.0 million match.

The total available in FY 2007 from the State General Fund and matching funds is \$5.7 million. The five eligible universities with graduate nursing programs submitted a proposal requesting scholarship funds based upon the cost of delivering a master's degree or doctoral degree in nursing. The 22 public universities and community colleges with eligible nursing programs competed for grants for faculty salaries and supplies, nursing equipment, and facility upgrades.

The Executive Director of the Kansas State Nurses Association told the Committee that the nursing shortage nationwide is attributable to retirements, fewer individuals opting to become nurses, and technology which is increasing life expectancy, resulting in more people who need nursing care. She said that, according to the Kansas Department of Labor (2005), the number of positions for registered professional nurses is expected to increase by about 30 percent (from 22,120 in the year 2000 to 29,040 in 2010). In addition, 4,470 replacement nurses will be needed, for a total projected increase of 11,390 over the 10-year period.

Specific data on nursing position vacancies for Kansas indicate that, in 2006, almost 17 percent of licensed nurses were not in the workforce. There is a vacancy rate of 8 percent for registered professional nurses in hospitals, which equates to 663 FTE nurses needed in 129 hospitals. (The vacancy rate was 4.5 percent in 2005.) There are faculty salary disparities in certain parts of the state, with Western Kansas having particularly low salaries.

According to the representative of the Nurses Association, various studies of nursing shortages identify the same needs. These include creating and maintaining a workplace environment that retains nurses; increasing the nursing education infrastructure to produce more nurses; increasing salaries; and increasing staffing levels. In Kansas, there are particular efforts being made to increase the awareness of nursing as a career and to continue to work toward smoother articulation policies that make it easier to transition from certificate nursing programs for licensed practical nurses to the associate and baccalaureate degree programs for registered professional nurses.

COMMITTEE RECOMMENDATION

The Committee's recommendation to create the nursing faculty scholarship program by statute rather than by proviso in an appropriations bill is contained in a latter section of this report that deals with legislative requests of the Kansas Board of Regents.

Student Assistance Programs

The staff reviewed service-based financial assistance programs, focusing on eligibility requirements, the amount of awards, limitations on awards, and service requirements. It also reviewed the provisions of 2006 HB 2864 which would establish the Chester I. Lewis Scholarship Program for ethnic minority law students

who are Kansas residents. The program would award up to 30 scholarships for tuition and fees at law schools in Kansas for up to six semesters. Recipients of scholarships would have to agree to practice law in Kansas for five years on a full-time basis or repay the scholarship. In addition, staff from the Board of Regents provided information on the student assistance programs the Board administers. These activities were in connection with the following proposal assigned the Committee by the LCC:

Study the various service obligations of scholarships administered by the Kansas Board of Regents. Review the length of service obligation and the appropriateness of differences in that length of service. The review of service scholarships would include those administered by the University of Kansas Medical Center and the Kansas State University Veterinary Medical Center.

Currently, most service scholarships require the recipient to work in Kansas one year for each year of scholarship, but examples of different requirements are the Mathematics and Science Teacher Service Scholarship enacted in 2005, which requires two years of service for one year of scholarship, and the Special Education Teacher Service Scholarship enacted in 2006, which requires three years of service for one year of scholarship.

The Committee took particular note of the Osteopathic Medical Scholarship Program, which has a lower compliance rate than other scholarship programs. A representative of the Kansas Association of Osteopathic Medicine told the Committee that students may not meet the loan-forgiveness requirements for several reasons:

- A student may decide that he or she wishes to pursue a different graduate degree.

- A student may not succeed academically.
- A student may decide to pursue a different medical specialty, such as surgery or radiology.
- A student may decide not to return to Kansas after completion of training.

If any of these situations occur, a student is required to repay the state the amount of the scholarship received plus interest, which currently is at 13 percent. Interest accrues from the date the scholarship money was first received (several years retroactive). According to information provided by the Kansas Board of Regents, there have been 355 Osteopathic Scholarships awarded. Of that total, 124 students now practice in rural Kansas communities and 118 students have repaid the loan with interest.

The Kansas Medical Student Loan Program which began in the late 1970s is intended to provide incentives for physicians to practice in underserved areas. Preference is given students from rural Kansas counties who have financial need. The students receive tuition reimbursement and a \$1,500 monthly stipend. Students must complete their medical degree, enter and complete a primary care residency, and practice in an underserved area of Kansas one year for each year they received a scholarship. ("Primary care residency" means general pediatrics, general internal medicine, family medicine, or emergency medicine.)

Since the beginning of the program, more than 1,200 medical students have received assistance under the programs. Data since 1992 when the program was restructured indicate that 438 students with obligations under the program have graduated. Of these graduates, 178 (40.6 percent) have fulfilled their obligations, 145 (33.1 percent) have had their obligations deferred (usually to allow them to complete

their residencies in preparation for practice), 84 (19.2 percent) are currently practicing in compliance with the terms of the program but have not completed their obligations, and 31 (7.1 percent) are practicing out of compliance with the terms of their agreements and are repaying their loans. Of the 178 physicians who have no remaining obligations, 109 (61.2 percent) fulfilled their obligations through service in underserved areas.

The Veterinary Training Program for Rural Kansas was established by the 2006 Legislature as an incentive for persons pursuing a veterinary medicine degree program at Kansas State University (KSU) to locate their practices in rural Kansas communities and to receive specialized training to meet the needs of livestock producers. Preference is given to those students who are Kansas residents and who agree to serve in specified counties. The program is administered by the College of Veterinary Medicine at KSU.

Subject to appropriations, the College is authorized to enter into agreements with up to five first-year veterinary students per year for a loan in the amount of \$20,000 per year for not more than four years for tuition, books, supplies, and other school expenses; and travel and training expenses incurred by the student. The legislation requires the persons receiving the loans to complete the veterinary medicine degree program at the College; complete all advanced training in public health, livestock biosecurity, foreign animal disease diagnosis, and other requirements outlined in the statutes; and engage in the full-time practice of veterinary medicine in any county in Kansas which has a population not exceeding 35,000 for a period of one year for each year of assistance provided.

At the present time, the College is in the process of selecting the five students who will be the first recipients of loans under the new program.

COMMITTEE RECOMMENDATIONS

Specific recommendations concerning several existing scholarship programs are found later in this report in the section dealing with legislation requested by the Kansas Board of Regents. The Committee notes that it reviewed 2006 HB 2864, which would have established the Chester I. Lewis Scholarship Program for ethnic minority law students.

Teacher Education Program Preparation for Work with English Language Learners

According to information presented to the Committee, in 1994 there were fewer than 2,000 English Language Learners in elementary and secondary schools, compared to 25,000 ten years later. In some school districts well more than half of the students are English Language Learners and it is estimated that by 2025 half of all elementary and secondary students will be minorities. To ensure that Kansas schools are prepared to deal with these minority students, many of whom do not speak English well or at all, the Committee asked representatives of the State Department of Education and teacher education institutions to explain how teacher education programs are preparing new teachers to deal with English Language Learners.

Professional standards set by the State Board of Education, which approves teacher education programs, require all initial teacher preparation programs to address diverse learners, including students whose first language is not English. Therefore, all new teachers have a baseline knowledge of skills in dealing with English Language Learners.

A more intensive program is the licensure endorsement for working with English Language Learners titled "English for Speakers of Other Languages" (ESOL). This is an add-on endorsement for individuals who already hold a teaching license and

generally requires 15 to 18 semester hours of coursework. Nine teacher education institutions offer approved ESOL programs. Some ESOL teachers continue to teach in their content area to classes that contain both English speaking and English Language Learner students; some are resource teachers who work with English Language Learners in pullout situations or as support to regular teachers; and others have classes that are composed entirely of English Language Learners. The Committee learned from one school district superintendent that an ESOL endorsement is so important in his district that the district pays teachers seeking endorsement for the required coursework and materials.

Representatives of Kansas State University and Emporia State University described their respective programs and called attention to the increasing need for ESOL teachers and the ongoing need for professional development and additional resources. The thrust of their testimony was that teaching students who do not speak English is a separate content area with its own methodology, in the same sense that teaching mathematics requires knowledge of a different content area than science or music. Their position tended to run counter to the Committee's hope that teacher education institutions could integrate methods for teaching English Language Learners into the coursework all teachers take so that beginning teachers would be able to deal with increasing numbers of students who do not speak English. Representatives of the teacher education institutions maintained that teaching English Language Learners is not a matter of quickly acquiring a set of skills or strategies that will prepare all new teachers to deal with the complexities they will face in the classroom due to expanding numbers of minority students.

COMMITTEE RECOMMENDATIONS

The Committee is concerned that the need to educate an almost certain increase in English Language Learners will be exacerbated by an impending teacher shortage, which already is occurring in some teaching areas and in some parts of the state. The Committee understands the position taken by representatives of the teacher education institutions who appeared before it, but suggests that perhaps bolder steps must be taken to ensure that more teachers are prepared to teach English Language Learners. One of those steps could be to reconsider the configuration of teacher education programs so that they could include more coursework to prepare all beginning teachers to work with English Language Learners. The Committee requests that the Board of Regents look at ways teacher education programs at the state universities could be restructured to prepare teachers to meet the language needs of a growing number of Kansas students.

In addition, the Committee recommends that legislation be prefiled that would create the English for Speakers of Other Languages Task Force, a nine member entity whose charge would include considering how preparing teachers to teach English Language Learners could be incorporated into the basic teacher education curriculum at the state universities. Three members of the Task Force would be appointed by the Governor, two by the Speaker of the House, two by the President of the Senate, and one each by the minority leaders of the House and the Senate. The Task Force would meet for two years and make annual reports to the Committee.

Legislative Initiatives of the Kansas Board of Regents

The Board of Regents presented the following initiatives to the Committee for consideration by the 2007 Legislature:

Teacher Shortage Initiative and Teacher Scholarship Streamlining.

The Board proposes two initiatives. The first would be to combine four existing teacher education scholarships into the new "Comprehensive Teacher Scholarship Program" and to double the amount of money appropriated for the programs combined. The existing programs are the Teacher Service Scholarship Program (one year for each year of scholarship service obligation in a hard-to fill discipline or underserved geographic area); the Kansas Math and Science Teacher Service Scholarship (two years of teaching math or science for each year of scholarship); the Special Education Teacher Scholarship created in 2006 (commitment to teach special education three years or six years part-time); and the Teacher Education Scholarship Program created in 2006 for licensed teachers enrolled in programs leading to master's degrees or persons with associate degrees enrolled in programs leading to Bachelor's degrees (one year service obligation for each 15 credit hours of assistance). Funding for these programs currently totals \$962,859 in FY 2007, which the Board proposes be increased to \$2.0 million for FY 2008. The Board's proposal to consolidate the programs would make them easier to administer and eliminate confusion among applicants applying for programs that appear very similar. Additional funding for scholarships would make it possible for the Board to award more scholarships.

The second initiative would not require legislation but would require the appropriation of \$2,750,000 from the State General Fund for the Board to award grants to state universities on a dollar-for-dollar matching basis for projects that would benefit teachers and teacher preparation. Examples include summer institutes for high school teachers and programs to enhance the supply of elementary school teachers.

COMMITTEE RECOMMENDATIONS

The Committee endorses the request by the Board of Regents for additional funding for teacher education scholarships and for grants to the state universities. It agrees that the teacher education scholarship programs should be consolidated and therefore recommends the introduction of legislation to combine the four existing programs into the Comprehensive Teacher Scholarship Program, as proposed by the Board. It also recommends legislation to create a new program to provide grants to state universities for programs to benefit teachers and teacher preparation.

Benefits Enhancement for University Support Staff and Classified Staff. The 2005 Legislature enacted legislation authorizing a state university to convert its classified staff to University Support Staff (USS), which allows more flexibility in terms of job classifications, salary levels, and salary increases. (Only the University of Kansas has made the conversion.) The 2006 Legislature enacted legislation to allow the state universities to raise annual leave and discretionary leave for classified staff up to the level offered to unclassified personnel. According to staff for the Board of Regents, the two provisions are in conflict in that the authorization to convert staff to USS does not include the authorization to raise annual leave and discretionary leave for classified staff up to the level offered to unclassified personnel.

COMMITTEE RECOMMENDATIONS

The Committee agrees that it was not the intent of the Legislature to set up a conflict between the two enactments and recommends that a bill be prefiled to conform the two policies, as requested by the Board.

Nurse Educator Scholarship Program. The 2006 Legislature created the Nurse Educator Scholarship Program by proviso in

an appropriations bill and appropriated \$200,000 for scholarships, to be matched with \$100,000, for the purpose of preparing nurses with master's degrees or doctoral degrees in nursing. The scholarships are intended to help address the nursing shortage by preparing nurses to become nurse educators to train new nurses. Because the program was created in an appropriations bill, it will expire on June 30, 2007. The Board requests that the program be created statutorily so that it will not terminate at the end of the current fiscal year.

COMMITTEE RECOMMENDATIONS

The Committee believes the nursing shortage is serious and that a program to make it possible for nurses to get their master's and doctoral degrees in nursing in order to teach is important. Therefore, it recommends the introduction of legislation to make the Nurse Educator Scholarship Program statutory.

Transfer of Property to Endowment Associations. Currently, individuals often donate property to state universities in their wills. The universities manage the land to generate income for the intended philanthropic purposes as defined by the individual donating the property, but the universities' endowment associations are better structured and have more expertise to manage bequests than are the universities. If a state university wants to transfer property to its endowment association, it presently is necessary for the university to get legislative approval on a case by case basis. The Board of Regents is requesting an amendment to current law which would allow it or the state universities to transfer title of willed property to an endowment association without having to get approval from the Legislature for each transaction.

COMMITTEE RECOMMENDATIONS

Committee members can recall no time when the Legislature has failed to approve a requested transfer. For that reason, it recommends that legislation be prefiled to give the Board and the state universities the authority to transfer property to state university investing agents. (Some state universities have endowment associations and others have foundations. The term "investing agent" is inclusive.)

Capital Improvements Exemption Law Amendments. Current law provides Regents institutions an exemption from state construction and contracting laws for projects under \$1.0 million if the projects are funded by nonstate moneys. The Board of Regents maintains that conforming to construction and contracting laws delays the project and increases planning and construction costs. In addition, the Board would like the exemption expanded to include restricted fees collected by universities for construction and renovation of state educational institutional buildings.

COMMITTEE RECOMMENDATIONS

The Committee recommends that legislation be prefiled that would eliminate the \$1.0 million limit on capital improvements projects and expand the source of revenues to include restricted fees collected by universities for construction and renovation of state educational buildings.

Amendments to the Medical Student Loan Program. The \$1,500 monthly stipend for medical students who participate in the Medical Student Loan Program has not been increased since 1992. The Board of Regents is requesting that the stipend be increased to \$2,000 per month. In addition, the Board is requesting that medical students who do not select primary care as their area of specialization until their third or fourth year of medical school be eligible to participate in

the program and that they be retroactively paid the full stipend and refunded their previously-paid tuition. Upper class medical students who enter the program and receive full stipends retroactively would be subject to the same service obligations as all other medical students who participate in the program.

COMMITTEE RECOMMENDATIONS

The Committee agrees that the monthly stipend needs to be increased and also supports the Board's request that upper class medical students who select primary care as their area of specialization be allowed to participate in the program retroactively. The Committee recommends that legislation be prefiled to implement the Board's request. It also recommends that an escalator (the CPI-U) be added to the stipend so that there would be an inflationary increase in the cap.

Overview of Postsecondary Education

As part of its charge to monitor the implementation of the Higher Education Coordination Act, the Committee received a report on the condition of postsecondary education from the President and Chief Executive Officer of the Kansas Board of Regents. Central to the report was the concern that state funding for postsecondary education, including facilities, has declined. For example, in 1985 state aid totaled 51 percent of state university operating budgets and tuition and other revenues totaled 49 percent. The projection is that, unless state aid increases as a proportion of the total, by the year 2010 state aid will amount to only 24 percent of university operating budgets, with student tuition and other revenues making up 76 percent. On a per student basis, state support for an FTE student in 1985 was \$7,354 compared to \$5,719 in 2005. (In "today's dollars," it would have taken an additional \$284.6 million in FY 2005 to maintain funding at the FY 2000 level.)

Most alarming is the condition of campus facilities. The buildings that are on the six state university campuses represent two out of every three buildings that the State of Kansas owns. Because of a lack of state resources dedicated to campus facilities, the Regents report a deferred maintenance backlog that totals \$727.0 million. Limited funding for building and maintenance is exacerbated by the fact that approximately 80 percent of the buildings are at least 20 years old. Deferred maintenance needs range from more than \$200.0 million each at the University of Kansas and Kansas State University to under \$100.0 million at each of the remaining campuses. The Regents estimate that \$84.0 million will be needed each year to adequately maintain university campuses and note that only \$15.0 million is available in FY 2007 and that the Educational Building Fund (EBF), which was established in 1941 and is the primary revenue source for university maintenance, was raised to 1.0 mill in 1955 and has not been increased since.

In the current fiscal year, state support of \$15.0 million from the EBF will permit only 18 percent of the goal of \$84.0 million annual facilities maintenance to be reached. For FY 2008, the Regents estimate the same amount of state support (\$15.0 million) and intend to dedicate \$8.5 million in tuition revenues to facilities needs, leaving \$60.5 million (72 percent) of the \$84.0 million maintenance goal unfunded. Paradoxically, the "Crumbling Classrooms" initiative in 1996 which dedicated significant resources to building maintenance on the university campuses has had the impact of reducing funding available for maintenance because the initiative allowed the Board of Regents to borrow money from the EBF and pay it back on an ongoing basis until the year 2012. Thus, money that might have been used for maintenance is being used to retire the Crumbling Classrooms debt.

To address its maintenance needs, the Board proposed a plan to the 2006

Legislature that included a temporary increase in the state sales tax, a bond issue, an increase in the statewide EBF mill levy, and new campuses administrative practices that would alleviate future maintenance obligations. None of the proposals that would have required legislative action was adopted.

COMMITTEE RECOMMENDATIONS

The Committee shares the Board's concern about the deteriorating condition of the state buildings located on university campuses and notes that the deferred maintenance backlog has increased by \$140.0 million in just the last two years and

will continue to grow as buildings age unless addressed. Particularly alarming is the fact that a considerable number of needs involve bringing buildings up to safety codes and making them handicapped accessible. To address its concerns, the Committee requests that the Joint Committee on State Building Construction, the Senate Ways and Means Committee, and the House Appropriations Committee carefully review the Board of Regents' facilities request and perhaps develop a multi-year plan to address the building needs of the campuses. The Committee believes the review should include a consideration of the cost effectiveness of maintaining each facility and an evaluation of whether the facility continues to be needed.

Kansas Technical College and Vocational School Commission

Preliminary Report to the

2007 Kansas Legislature



Kansas Legislative Research Department
December 2006

House Education Committee
Date: 1-17-07
Attachment # 2

**KANSAS TECHNICAL COLLEGE AND
VOCATIONAL SCHOOL COMMISSION**

**PRELIMINARY REPORT
TO THE
2007 KANSAS LEGISLATURE**

COMMISSION MEMBERS

George Fahnestock, Chair
Dr. Robert Edleston
Dr. Jerry Farley
Joseph Glassman
James Grier III
Senator Janis Lee
Dick Veach
Reginald Robinson

December 2006

Foreword

The Kansas Technical College and Vocational School Commission was created by the 2006 Legislature to study the mission, governance, and funding of Kansas technical colleges and vocational education schools. The Commission consists of eight members - 7 members appointed by the Governor, the Kansas Board of Regents, and the Legislature, and the President and CEO of the Kansas Board of Regents who serves as an *ex-officio* nonvoting member.

This report contains the culmination of the Commission's efforts during the 2006 Interim. However, the Commission believes that it will need more time to adequately and thoroughly fulfill its charge. Therefore, having interpreted its enacting legislation to mean that its charter will not expire until June 30, 2007, the Commission submits this preliminary report to the Kansas Legislature by January 1, 2007, and will complete a final report on or before February 15, 2007.

TABLE OF CONTENTS

EXECUTIVE SUMMARY	v
Mission	v
Governance	v
Funding	v
INTRODUCTION	1
MISSION	2
Mission Issues	2
Recommendations	5
GOVERNANCE	5
History	5
Governance Issues	9
Possible Solutions	9
Kansas Board of Regents Recommendation	9
Kansas Technical Colleges' Recommendation	10
Kansas Association of Community College Trustees Recommendation	12
Other Options	14
Oklahoma Model	14
Georgia Model	14
Recommendations	15
FUNDING	15
Overview	15
Funding Issues	21
Possible Solutions	21
Kansas Board of Regents Recommendation	21
Kansas Technical Colleges' Recommendation	21
Kansas Association of Community College Trustees Recommendation	22
Legislative Educational Planning Committee Recommendation	22
Other Options	22
Recommendations	22

EXECUTIVE SUMMARY

The Kansas Technical College and Vocational School Commission recommends the following items:

Mission

- The mission of technical education in the state of Kansas should:
 - ❖ Provide opportunities for students to attain their educational goals;
 - ❖ Provide an educated workforce to meet the demands of the Kansas economy;
 - ❖ Be responsive to the education and training needs of business and industry;
 - ❖ Provide quality technical training, customized industry training, and continuing education; and
 - ❖ Provide a totally integrated educational opportunity for students who matriculate from high school through certificate, associate, and baccalaureate programs.

Governance

- All postsecondary institutions receiving postsecondary aid for technical education, including the four technical schools and Northeast Kansas Technical College, should move towards some form of postsecondary governance either through a merger, an affiliation, or as an accredited college with an independent governing board, if they have not already done so.
- An independent board of control be strongly considered as a form of governance for technical education in Kansas.
- Other forms of governance for technical education be strongly considered, in addition to the previous recommendation regarding an independent governing board.

The Commission will present its technical education governance recommendation no later than 45 days from the presentation of this report on January 1, 2007.

Funding

- Add a substantial amount of funding in FY 2008 and FY 2009 for postsecondary technical education, as recommended by the Legislative Educational Planning Committee (LEPC).
- Develop a funding formula that will include equitable standards for postsecondary education and allow for program/enrollment growth with enhancement funds in a timely fashion.

The Commission will review the funding formula for technical education as well as the standardization of programs and the clock hour/credit hour conversion issue and will present its recommendations on these items no later than 45 days from the presentation of this report on January 1, 2007.

INTRODUCTION

The 2006 Legislature, by proviso in the Omnibus appropriations bill (Senate Substitute for House Bill 2968), authorized the establishment of the Kansas Technical College and Vocational School Commission. The Commission is composed of eight members, seven voting and one *ex-officio* nonvoting member. The members are:

- George Fahnestock, Chairman, owner and Chief Executive Officer (CEO) of Fahnestock Heating, Air Conditioning, and Electric Company;
- Dr. Robert Edleston, President and CEO of Manhattan Area Technical College;
- Dr. Jerry Farley, President of Washburn University;
- Joseph Glassman, President and CEO of Glassman Corporation;
- James Grier III, member of the Kansas Board of Regents (KBOR);
- Janis Lee, member of the Kansas Senate;
- Dick Veach, CEO of Pioneer Communications; and
- Reginald Robinson, President and CEO of the Kansas Board of Regents (*ex-officio* nonvoting member).

The Commission is charged to study the mission, governance, and funding of Kansas technical colleges and vocational education schools. The Commission is to submit a report of its activities and recommendations to the Legislature on or before January 1, 2007.

The Commission believes that it will need more time to adequately and thoroughly fulfill its charge. Therefore, having interpreted its enacting legislation to mean that its charter will not expire until June 30, 2007, the Commission submits this preliminary report to the Kansas Legislature by January 1, 2007, and will complete a final report on or before February 15, 2007. In addition, the Commission notes that the Legislative Education Planning Committee (LEPC) recommended that legislation be prefiled to extend the Commission another two years and require that the Commission make annual reports to the LEPC.

At the first meeting, the Commission Chairman suggested the members consider the question: "The work of the Commission is in the best interest of whom?" He also recommended that they focus their ideas around the concept of "what is right with technical institutions, what is wrong, and what is needed." These thoughts have set the tone for the Commission, shaping not only how its members have come to understand the patchwork nature of the state's technical education system, but also its recommendations. The Commission hopes that this report reflects its vision to provide a more extensive analysis of technical education in Kansas.

The Commission held seven meetings during the 2006 Interim and covered a wide range of topics related to technical education. Over 40 conferees, including legislators, representatives of technical schools, technical colleges, community colleges, universities, and business and industry, and staff from KBOR, the Kansas Department of Commerce (KDOC), Kansas, Inc., and the Kansas State Department of Education (KSDE) presented information to the Commission.

The Commission's understanding of its charge broadened as it learned more about technical education. At its first meeting, staff reviewed the Commission's enacting legislation and charge to undertake a study of the mission, governance, and funding of Kansas technical colleges and vocational education schools. However, the Commission learned that technical education is provided in other ways, primarily by community colleges. Based on information provided by the KBOR, technical education is delivered by 29 two-year institutions: four technical schools, six technical colleges, six area vocational-technical schools that merged with community colleges, and 13 community colleges. In addition, of the total number of career and technical education students served by two-year institutions in FY 2005:

- The four technical schools served approximately 8.0 percent;
- The six technical colleges served approximately 15.0 percent; and
- The 19 community colleges (including the six that merged with area vocational-technical schools) and Washburn University served the remaining 77.0 percent.

The Commission believes that its legislative charge to study technical colleges and vocational education schools should be expanded to include an examination of the role community colleges play in the delivery of technical education.

Having reviewed a wide range of information, the members of the Commission agree that, to improve technical education in Kansas, a consistent statewide governance system, an adequate and equitable funding mechanism, and a standardized curriculum are needed. The Commission also feels that technical education should be viewed more as an economic development tool that is focused on meeting the needs of business and industry in the state.

The Commission recognizes that it has a very complex mission and will require more information before it can make final recommendations. The Commission also is aware of other studies that would assist in its work. The Director of Workforce Training and Education Services, KDOC, indicated that a study jointly commissioned by the KDOC, the Workforce Network of Kansas, KBOR, and Kansas, Inc. entitled *Aligning Postsecondary Education and Training to Meet the Needs of the Business Community* will be available on May 15, 2007. This study will identify critical industry sectors and key regions; report on innovative and effective programs and practices; and assess current postsecondary education and training systems, programs, and projects. The Commission considers this an important study that should be reviewed prior to its final recommendations.

MISSION

The Commission sought to better understand the overall mission of technical education in Kansas. During the 2006 Interim, the Commission reviewed the role of technical education from the perspective of the technical institutions and business and industry.

Mission Issues

Mission: Technical Institutions. At its October meeting, representatives from several technical institutions appeared before the Commission to discuss the mission of technical schools and colleges in Kansas, including the Kansas Association of Technical Schools and Colleges (KATSC), the Kansas City Kansas Area Technical School (KCKATS), and North Central Kansas Technical College (NCKTC).

- KATSC. Rich Hoffman, President, KATSC, stated that most students attending technical schools and technical colleges are concerned with getting in, getting trained, and getting a job. He indicated that at Kaw Area Technical School in Topeka, less than 11.0 percent of the students take advantage of the agreement to earn an Associate of Applied Science degree with Washburn University. However, Mr. Hoffman also noted that today's technical jobs require a high level of critical thinking skills and that these skills should be a part of the education process used to support the mission of technical education.
- KCKATS. Barbara Schilling, Director, KCKATS, testified that the School's purpose is to provide customized quality technical training, and in the process, develop life-long learning habits, a positive self-image for each student, and leadership and citizenship skills. She also stated that KCKATS serves a very diverse population: the average student age in the daytime skill training programs is 26; and 48.0 percent of the student body is Caucasian, 40.0 percent is African-American, 10.0 percent is Hispanic, and 2.0 percent is from a variety of other ethnic groups.

One of the unique features of KCKATS is its flexible open enrollment plan that allows postsecondary students to begin most programs monthly on a space available basis. This allows them to move into good paying jobs in six to eleven months, instead of waiting until the next semester to start their training.

- NCKTC. Mr. Coco, President, NCKTC, reviewed the effectiveness of the technical college, noting accreditation by the Higher Learning Commission of the North Central Association of Colleges and Schools (HLC-NCA), a process which resulted in moving many one-year certificate programs to two-year programs with the option of an Associate of Applied Science degree. He testified that changes within curricular offerings have met the evolving needs of industry and reduced the number of students on waiting lists. President Coco gave the following examples:
 - The College expanded the Heavy Equipment program enrollment from 30 students to 45 by purchasing a \$27,000 state of the art simulation software program and by changing scheduling practices.
 - The College doubled the size of the Licensed Practical Nursing program from 30 candidates to 60 by moving from a nine-month program to a year-round program. The College was able to do this by adding a 0.75 FTE instructor to the program.
 - The College created a Building Trades Degree. Students completing two of the four building trades programs offered: residential electricity, bricklaying and masonry, carpentry and cabinetmaking, and plumbing, heating, and air conditioning can graduate with an associate degree.

According to President Coco, these changes were made with the belief that students graduating from an HLC-NCA accredited college with an associate degree would have a better chance at placement and career advancement in their chosen field. NCKTC offers students a focused education with career placement waiting for them upon completion of the program.

Mission: Meeting the Needs of Business and Industry. During the October meeting, representatives of business and industry also appeared before the Commission and discussed their needs and the role that the technical institutions have played in helping them meet those needs.

- Kansas Hospital Association. Deborah Stern, Vice-President of Clinical Services and Legal Counsel, Kansas Hospital Association, stated that, in the healthcare field, accreditation is vital; that technical education plays a significant role in preparing students for the field, and that, in light of aging healthcare workers and retiring baby boomers, impending shortages will soon reach crisis levels. She noted especially the need for more instructors. There are waiting lists for nursing classes, a problem exacerbated by lack of instructors and available clinical sites.
- Neal Harris Service Experts. Dave Hinkley, Human Resources Manager, Neal Harris Service Experts, a heating and air conditioning corporation in Kansas City, testified that his company, which employs over 6,000 individuals, hires community college and technical school graduates. He praised the open enrollment of KCKATS, which allows his company to hire graduates all year long.
- Embarq. Alan Prieb, Field Operations Supervisor, Embarq, discussed the importance of technical training for telecommunication companies and praised the technical program offered at North West Kansas Technical College (NWKTC). He stated that Embarq has around 75 graduates from NWKTC. However, the company still has more openings than can be supplied by the College.
- Beloit Auto and Truck Plaza. Pat Kelly, owner, Beloit Auto and Truck Plaza, testified that one of his company's greatest needs is certified technicians to provide manufacturers' warranty work. He noted that NCKTC provides general automotive certification, but not manufacture-specific certification.
- Howard, Needles, Tammen, and Bergendoff (HNTB) Corporation. Wayne Gregory, a representative from HNTB who works in the bridge design department, related the value of students trained at NWKTC, stating that of HNTB's 13 technicians, ten were trained at NWKTC. He also indicated that NWKTC rarely graduates enough students to meet industry needs.
- Kelly Construction. Kevin Kelly, President, Kelley Construction and Vice-President, Associated General Contractors (AGC), commented on the barrier he has encountered in seeking skilled employees for construction work:
 - Lack of funds, especially for hiring instructors skilled in construction trades;
 - The negative job stigma of construction as a career; and
 - The lack of available communication with prospective students.

He noted AGC's collaboration with Hutchinson Community College in helping to close the gap between the needs of the industry and graduating students. Mr. Kelley also stated that there is a desperate need in nearly all construction trades for skilled workers. He also noted that AGC is supplementing instructor salaries to raise the stature of the building trades.

Industry Taking Steps to Meet its Own Needs. The Commission heard from the aviation industry about how it has taken action to address its own needs. Peter Gustaf, Executive Director, Kansas Technical Training Initiative, Inc. (KTTI), gave background that led to the formation of the KTTI, saying that in 1999 in Wichita the four largest aviation companies had over 4,000 job openings for which they could not find skilled workers. He also noted cooperation with the newly formed Kansas Institute for Technical Excellence and collaboration with four regional educational institutions,

a venture that led KTTI to create the Aviation Tech Center, which later expanded the curriculum to include manufacturing, information technology, and health-care programs. Mr. Gustaf stated that under the authority of the Sedgwick County Commission, a new technical campus called Jabara is being constructed. Sedgwick County issued \$40.0 million in bonds to build the new campus and subsequent costs will be funded by the county and student tuition under the auspices of the Sedgwick County Technical Education and Training Authority. Mr. Gustaf indicated that local community colleges will provide programs. He also observed that the constituency is the business community and that funding would be driven by outcomes and not hours.

Recommendations

Based on information provided by Dr. Greg Belcher, Associate Professor, Technical Education, Pittsburg State University (PSU), the Commission notes that only 20.0 percent of current jobs require a four-year degree and that there is an increased demand for skilled workers. Therefore, the Commission recommends that the mission of technical education in the state of Kansas should:

- Provide opportunities for students to attain their educational goals;
- Provide an educated workforce to meet the demands of the Kansas economy;
- Be responsive to the education and training needs of business and industry;
- Provide quality technical training, customized industry training, and continuing education; and
- Provide a totally integrated educational opportunity for students who matriculate from high school through certificate, associate, and baccalaureate programs.

GOVERNANCE

During the 2006 Interim, the Commission studied the governance structure of the postsecondary technical institutions in Kansas. Staff from the Revisor of Statutes' Office reviewed legislation governing technical schools and technical colleges. Blake Flanders, Director of Workforce Training and Education Services, KBOR, provided background information on the development of technical institutions in Kansas from 1963 to the present. The Commission also examined secondary technical and career education (CTE) in Kansas. Dale Dennis, Interim Commissioner of Education, KSDE, provided an overview of CTE within the K-12 educational system.

History

Establishment of Area Vocational-Technical Schools. In 1963, Congress passed the Vocational Education Act which allowed states to create a system of area vocational-technical schools. That same year, Kansas passed legislation (KSA 72-4411 *et seq.*) giving local entities the opportunity to establish area vocational-technical schools. The law provided for three types of administrative organizations. Area vocational-technical schools could be governed by:

- A single unified school district (USD) board;
- A community college (CC) board; or
- A board of control, comprised of representatives from surrounding USD boards.

By 1985, 16 area vocational-technical schools were in operation throughout the state with three forms of governance. Nine were governed by a single USD board, two had merged with community colleges and were governed by a community college board of trustees, and five were governed by representatives from surrounding USDs.

1986 Kansas Area Vocational-Technical Schools (AVTS)

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

* Liberal AVTS is now Southwest Kansas Area Technical School.

Mergers with Community Colleges. In 1992, Kansas passed legislation (KSA 71-1701 *et seq.*) authorizing area vocational schools or area vocational-technical schools (governed by a single USD board or a board of control) to consolidate with community colleges. Four area vocational-technical schools merged with community colleges and are now governed by community college boards of trustees.

Four Merged Area Vocational-Technical Schools

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

Transition to Technical Colleges. In 1994, legislation (KSA 72-4468 *et seq.*) was enacted to allow area vocational schools or area vocational-technical schools to become technical colleges. Between 1995 and 2001, six area vocational-technical schools began conversion to technical colleges with the ability to award associate of applied science degrees.

Six Technical Colleges

School	Technical College
Northwest Kansas AVTS	Northwest Kansas Technical College
North Central Kansas AVTS	North Central Kansas Technical College
Flint Hills AVTS	Flint Hills Technical College
Manhattan AVTS	Manhattan Area Technical College
Northeast Kansas AVTS *	Northeast Kansas Technical College
Wichita AVTS	Wichita Area Technical College

* Northeast Kansas Technical College has no intention of pursuing accreditation.

Not all area vocational-technical schools chose to change to technical colleges. As a result, three separate types of technical institutions developed:

- Four area vocational-technical schools;
- Six area vocational-technical schools merged with community colleges; and
- Six technical colleges.

Technical College Accreditation. The 1999 Legislature enacted SB 345, the Higher Education Coordination Act (KSA 74-32, 141), which transferred the supervision and coordination of community colleges, area vocational schools, area vocational-technical schools, technical colleges, adult education programs, and proprietary schools from the Kansas State Board of Education (KSBE) to the KBOR. In 2002, KBOR passed a policy requiring all Kansas public degree-granting institutions, including technical colleges, to be accredited through HLC-NCA. This accreditation process required technical college governance changes. To become accredited, the technical colleges needed to form independent governing boards not associated with USDs. The 2003 Legislature passed SB 7 (KSA 2005 Supp. 72-4470a), which required the six technical colleges to develop and present to KBOR a plan to replace the existing governing board with an independent governing board that was separate from a board of education of any school district. Five of the six technical colleges have complied with SB 7 and have sought HLC-NCA accreditation. However, Northeast Kansas Technical College continues to be governed by a USD board and has no intention to seek accreditation.

Current Status of Technical Institutions. The current status of the 16 technical institutions is as follows:

- Five technical colleges are governed by independent technical college boards;
 - Two colleges are accredited by HLC-NCA; and
 - Three colleges are moving toward HLC-NCA accreditation;
- One technical college is still governed by a local USD board, has not moved toward independent governance, and has no intention of pursuing HLC-NCA accreditation;
- Six area vocational-technical schools are run by community colleges; and
- Four technical schools are still governed by local USD boards.

In addition to the 16 technical institutions mentioned above, the 13 community colleges that have not merged with area vocational-technical schools also provide technical education.

2-12

Note: The four remaining area vocational-technical schools in Kansas changed their names to technical schools to reflect the growing national focus on career and technical education rather than vocational education. At the federal level, the Carl D. Perkins Career and Technical Education Improvement Act of 2005 adopted the term career and technical education (instead of vocational education) when referring to education programs funded under the current Perkins Act.

Current Status Kansas Technical Institutions

School	Location	HLC/NCA Status	Type of Governance
North Central Kansas Technical College	Beloit	Accredited	Technical College Board
Manhattan Area Technical College	Manhattan	Accredited	Technical College Board
Northwest Kansas Technical College	Goodland	Pursuing	Technical College Board
Flint Hills Technical College	Emporia	Pursuing	Technical College Board
Wichita Area Technical College	Wichita	Pursuing	Technical College Board *
Northeast Kansas Technical College	Atchinson	Not seek accreditation	Single United School District
Johnson County CC/AVTS	Overland Park	Accredited	Comm. College Board of Trustees
Coffeyville CC/AVTS	Coffeyville	Accredited	Comm. College Board of Trustees
Dodge City CC/AVTS	Dodge City	Accredited	Comm. College Board of Trustees
Hutchinson CC/AVTS	Hutchinson	Accredited	Comm. College Board of Trustees
Cowley County CC/AVTS	Arkansas City	Accredited	Comm. College Board of Trustees
Pratt CC/AVTS	Pratt	Accredited	Comm. College Board of Trustees
Kansas City Area Technical School	Kansas City	N/A	Single United School District
Southwest Kansas Technical School **	Liberal	N/A	Single United School District
Kaw Area Technical School	Topeka	N/A	Single United School District
Salina Area Technical School	Salina	N/A	Single United School District

* The College Board for the Wichita Area Technical College has expanded its role as Sedgwick County Technical Education and Training Authority.

** Southwest Kansas Technical School plans to merge with Seward County Community College on July 1, 2007.

Secondary CTE. Secondary CTE is a structured program that includes: career exploration and planning; direct preparation for employment; and preparation for a postsecondary education. In FY 2007, 1,656 approved CTE programs are offered in 276 of the 300 school districts in Kansas. Course and program availability varies by school. Each secondary CTE program is charged with developing articulation agreements with postsecondary institutions.

Secondary CTE works closely with business and industry to provide quality instruction within the K-12 educational system. Each CTE program is aligned with Kansas academic standards including math, reading, and science. State secondary approval standards for every program has been developed in conjunction with business and industry. Close partnerships with business and industry include: American Welding Society, Associated General Contractors, and the Kansas Hospitality and Restaurant Association. All secondary CTE programs have local advisory committees representing business and industry to assure that the programs continue to meet community needs.

It is estimated that in FY 2006 secondary CTE expenditures totaled \$79.3 million. Of that amount, \$41.5 million was funded by local sources; \$32.8 million in weighted funding was provided by the state (CTE receives an additional weight of 0.5); and \$5.0 million of federal Carl Perkins funds were distributed to USDs.

Governance Issue

Legislation passed in 1992 and 1994, which led to the merger of four area vocational-technical schools with community colleges and the emergence of six technical colleges, has resulted in a patchwork of technical education delivery systems that still exist in spite of 1999 SB 345, which was intended to promote a seamless postsecondary educational system. Currently, three different types of technical institutions exist in Kansas, each with its own form of governance. The Commission believes that the variation in the governance structure of the 16 technical institutions is an issue that needs to be addressed.

Possible Solutions

During the 2006 interim, the Commission examined several different proposed forms of governance for the technical institutions, including recommendations made by KBOR, KATSC, and the Kansas Association of Community College Trustees (KACCT). In addition, the Director of the Oklahoma Department of Career and Technology Education and the former Commissioner of the Georgia Department of Technical and Adult Education presented information to the Commission about each of their state's technical education programs.

Option A: Merge Technical Schools and Colleges with Community Colleges or Universities

KBOR Recommendation. During its November meeting, the Commission reviewed the KBOR recommendation for the restructuring of technical education. Reginald Robinson, President and CEO of the KBOR, explained that under the KBOR plan:

- The state's technical schools (which are still governed by local USD boards) would merge or affiliate, or both, with an appropriate community college or university;
- The state's technical colleges (which are governed by independent technical college boards) also would merge or affiliate, or both, with an appropriate community college or university; and
- That both sets of mergers would be undertaken over the course of a three to five year period to provide the time necessary to ensure that appropriate merger partners and processes were identified.

This recommended governance structure would create a system in which all postsecondary technical education in Kansas would be the responsibility of community colleges or universities.

Merged Technical Education Providers. Throughout the interim, the Commission also heard about the merger experiences of several technical education providers, including the following:

- Hutchinson Community College/Area Vocational-Technical School (HCC/AVTS). Dr. Edward Berger, President, HCC/AVTS, testified that a merger significantly increases enrollment, provides broader and more comprehensive technical education than a stand alone technical college, eliminates duplication, creates more partnerships with business and industry, and raises the quality of learning opportunities. He also acknowledged the increased costs of technical education and recommended that all technical education courses be funded at an additional funding weight of 0.6 (compared to general education) and be increased to an additional funding weight of 1.0 over a period of five years. In addition, Dr. Berger recommended that all technical instruction be based on credit hours and not clock hours.

- Southwest Technical School and Seward County Community College. Ed Poley, Director, Southwest Kansas Technical School, testified that the School plans to merge with Seward County Community College on July 1, 2007, a move that would allow for more growth in technical education. He noted that such a merger would result in very little duplication of faculty; that calculation of clock hours would be adjusted; and mission creep would be an issue.
- PSU. Dr. John Iley, Chairman, Technology Studies/Automotive Technology Department, PSU, commented on the challenges of assimilating technical programs into a university curriculum. He explained that, of the nine original technical programs assimilated into PSU after the closing of the Vocational Technical Institute in 1985, five were discontinued, two were transferred to Fort Scott Community College, and two (Automotive Service and Electrical Technology) have successfully been incorporated into PSU. Both programs offer a two-year certificate or an Associate of Applied Science degree, or both. Dr. Iley identified three key factors in making technical education successful in a university setting: funding, administrative support, and recruitment.

Benefits and Concerns Regarding Mergers. The Commission notes the benefits that a community college may derive from merging with a technical school or college. They include program eligibility for clock-hour payment; institution eligibility for state capital outlay funds; institutional ability to contract with USDs for delivery of courses; reaccreditation as an area vocational-technical school; and institutional ability to tailor certifications to programs more readily.

The Commission also recognizes the concerns that technical schools and colleges have about merging with community colleges or universities. They include the following:

- Given the hands-on learning approach of technical education and the textbook-centered approach of general education, merging technical colleges with community colleges or universities may crowd out the hands-on approach to learning.
- Merging a technical college with a community college or university will lead to mission creep which will crowd out the emphasis on technical education in favor of general education and will dilute the mission of technical education.
- The need for compatible leadership and policies between merging institutions.
- A concern that technical education will be viewed as a "lesser" education.

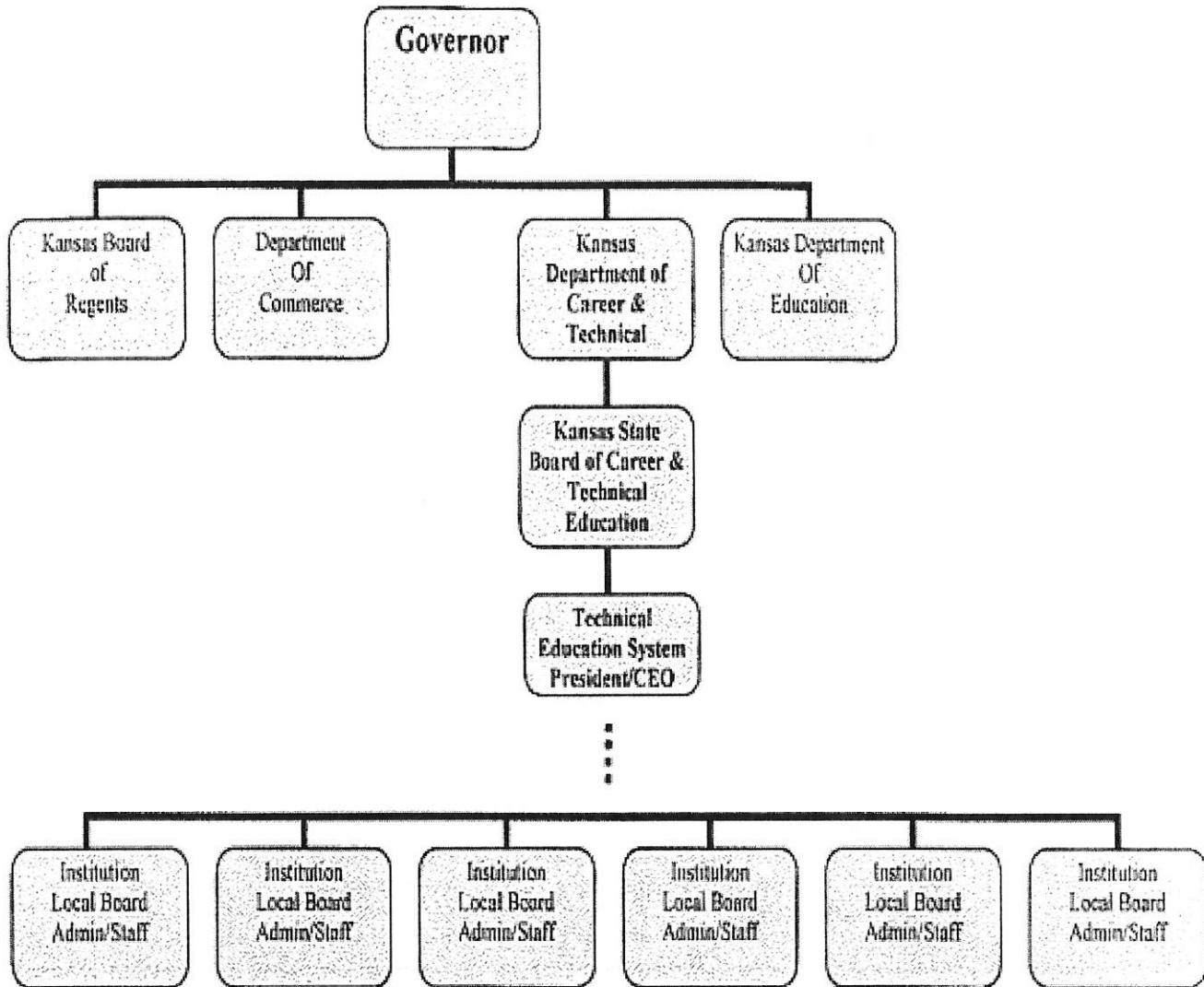
In addition, other issues, that are not necessarily particular to the merger option, will require further exploration, such as the need to establish a baseline curriculum and a weighted funding formula.

Option B: Kansas Career and Technical Education System

Technical Colleges' Recommendation. At its December meeting, the Commission reviewed the technical colleges' recommendation for the restructuring of technical education. Clark Coco, President, North Central Technical College, who was representing the technical colleges in Kansas, proposed a statewide career and technical education system that would be governed by the newly established Kansas Department of Career and Technical Education. According to President Coco, the mission of the new Department and the career and technical education system would be to foster economic growth by providing specific technical education and training to meet the workforce needs of Kansas.

The organization of the proposed system is shown below:

Kansas Career and Technical Education System Organizational Chart



The career and technical education system would coordinate all of the state's technical programs, including those under community colleges and universities. Under this plan, technical schools would have the option of either merging with a technical college, community college, or a university or becoming a stand alone technical college. Technical colleges would remain independent institutions under this system. The technical education sector of community colleges and universities would be coordinated through the career and technical education system, while regular education would remain under KBOR.

The responsibilities of the career and technical education system at the State Board level and the institutional board level are as follows:

- State Board Level. The Governor would appoint nine members to the Kansas State Board of Career and Technical Education, a coordinating board that would have representation from all congressional districts. The career and technical education

2-14

system President and CEO would report to the State Board. The State Board would approve programs, certification, benchmarks, accreditation, finances, local tuition rates, and major capital improvement projects. It also would coordinate technical education efforts in the state; collect data; market statewide for technical education; advocate for technical education; and administer the federal Carl Perkins funds and statewide grant initiatives. In addition, the State Board would coordinate with the KDOC, KBOR, and KSDE.

- Institutional Board Level. Business and industry would be represented on the institutional governing boards. The boards would govern the institutions; hire or fire institution presidents; and establish the local calendar, policies, salaries, and tuition rates which are to be approved by the State Board.

Benefits and Concerns Regarding System. President Coco pointed out the benefits of the career and technical education system. They include centers of excellence, standardization of curriculum and institutional policy practices, focused state supervision with funding distribution authority, retention of technical education as the sole mission and focus, statewide coordination of workforce development, state level advocacy for technical education, and assistance in identifying duplication of programs among colleges.

The Commission notes that this recommendation by the technical colleges modifies an earlier proposal that was submitted for a technical college system, a statewide agency that would be under the KDOC.

Reginald Robinson, President and CEO, KBOR, raised several concerns regarding the proposed career and technical education system, including the following:

- A career and technical education system that is not under KSBE or KBOR will need to enhance opportunities to create more seamlessness between secondary and postsecondary technical education.
- There are implications that need to be further explored for clarity and policy coherence if a career and technical education system is created in the context of a reality in which at least 77.0 percent of the state's technical education is delivered by the community college system.
- There are also implications that need to be further examined of what the creation of a career and technical education system means to the state's postsecondary education system.

Option C: Merge Technical Schools and Affiliate Technical Colleges with Community Colleges or Universities

KACCT Recommendation. At its December meeting, the Commission reviewed the KACCT recommendation for the restructuring of technical education. Dr. Berger, President, HCC/AVTS, on behalf of KACCT, proposed a plan that was similar to the recommendation made by the KBOR.

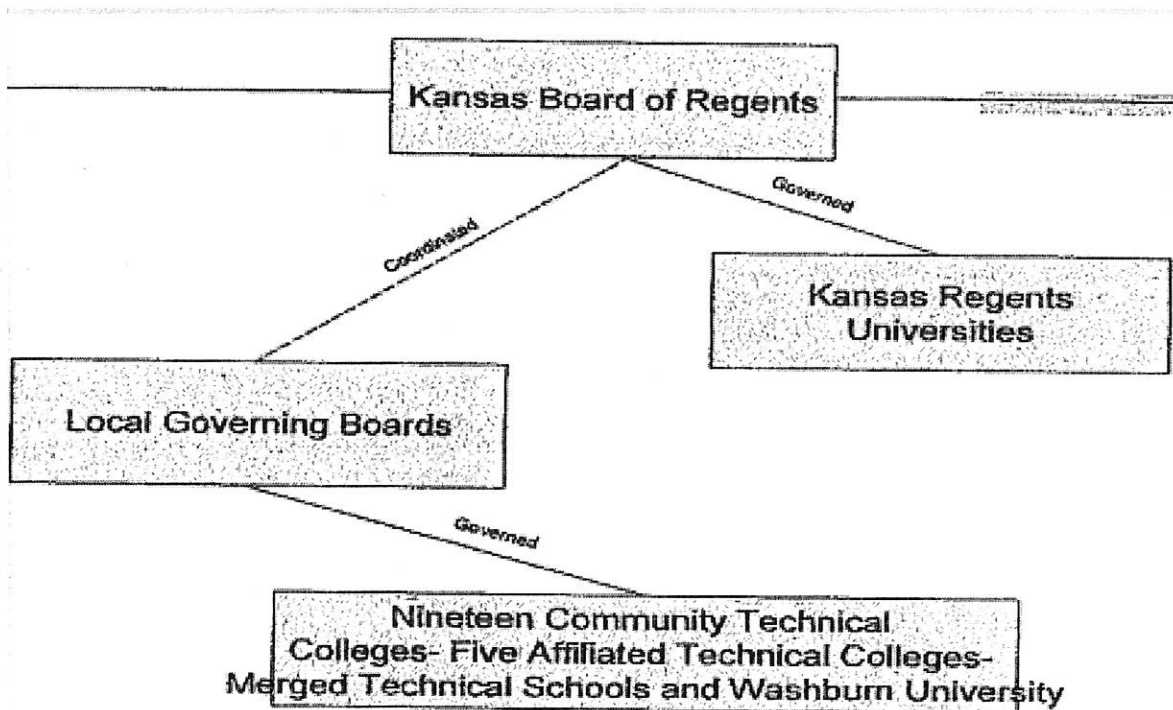
The KACCT recommended a statewide technical system with 19 community technical colleges, five technical colleges affiliated with community colleges or universities, and four technical schools merged with community colleges or universities. Unlike the KATSC plan, the technical system would remain under KBOR. The 19 community technical colleges, the five affiliated technical colleges, and the four merged technical schools would be coordinated by the KBOR, but would be governed by local boards.

Benefits of System. The KACCT outlined the benefits of the recommended technical education system for industry, students, and the State of Kansas.

- Industry. The benefits to industry would include a centralized system; decentralized delivery; rapid response; guaranteed quality; program clearinghouse and directory; and industry satisfaction assessment of each program offered.
- Students. The benefits to students would include accessibility; affordability; placement services; articulation to associate in applied science and bachelor degrees; portability of standardized curriculum; and assessment of skill levels.
- Kansas. The benefits to the state of Kansas would include a skilled workforce; an agile delivery system; guaranteed skills; a state economic development engine; and a seamless system maximizing existing resources.

The organization of the proposed plan is shown below:

KACCT Organization Chart of Kansas Colleges and Universities



Other Options

The Commission briefly reviewed the following possible governance options:

- Return technical schools to the KSBE with no access to postsecondary aid funding.
- Allow technical colleges to remain independent, but allow them to partner with other institutions as needed.
- Create a statewide technical college with satellite campuses.
- Support 2003 SB 7 which required the development of independent governing boards for technical colleges and grant technical colleges local taxing authority.
- Leave the technical education governance structure as it is and address the need for increased capacity and funding.

Other States' Technical Education Programs

Oklahoma. Dr. Phil Berkenbile, Director, Oklahoma Department of Career and Technology Education (or CareerTech), provided an overview of the Oklahoma technical education program. He stated that the basic premise of the program is to provide training for any entity that needs skilled workers. Dr. Berkenbile explained that there are CareerTech programs in 398 secondary school districts; there are also 29 technology centers with 54 campuses and 1,136 teachers, and 22 skill centers in prison settings, and a virtual CareerTech network, with a total of 275,790 postsecondary students enrolled and a budget of \$431.0 million, including \$141.0 million from the State General Fund (SGF). He also informed the Commission that Oklahoma has a population of about 3.4 million.

CareerTech is a state agency that is separate from the Oklahoma university system; state funds are allocated through the agency; the CareerTech Board approves curricula; the agency develops alliances with community colleges on an *ad hoc* basis; and students can elect to take courses for college credit. According to Dr. Berkenbile, the greatest need for the state's technical education is raising the perception of parents that technical education offers advanced skills and higher wages. Each high school sophomore in Oklahoma receives a brochure outlining all postsecondary educational opportunities.

Dr. Berkenbile acknowledged that community colleges often offer parallel technical education courses, which are funded through the state university system. He explained that secondary technical instructors must be certified by the Oklahoma Department of Education, but the qualifications for postsecondary technical instructors are based on their technical expertise and experience, with a minimum education being an associate degree and certification. Regarding curriculum standards, the state provides minimum standards for each course and then evaluates each course separately, providing accountability through state inspection teams.

Georgia. Dr. Ken Breeden, former Commissioner, Georgia Department of Technical and Adult Education, also presented information to the Commission on his state's technical education program. He commented that during the 1960's and 1970's technical education in the state was fragmented in structure and sporadic in quality, but in 1985 a new governance structure was created with authority to consolidate all workforce development, economic development, and adult literacy under state authority, accountability, and funding. This change resulted in significant growth in technical education locations (65 campuses) and enrollment (tripling in ten years) with 97,000 enrolled in technical education in 2003.

Dr. Breeden stated that quality control was provided by third-party evaluation through a contract with the Carl Vinson Institute, which surveys students and businesses every three years. He noted that Georgia's technical education programs are short-term, flexible, and progressive so a student can obtain certification quickly, gaining not only a certificate, but a warranty that the student is adequately trained in a given skill. He also indicated that the placement rate for students is 98.0 percent.

Georgia's technical education agency is separate from any other agency. It has no taxing authority, but receives between \$300.0 million to \$400.0 million a year from the SGF. All funding comes through the Department and is allocated by block grants to the various schools.

Recommendations

The Commission made the following recommendations concerning governance:

- The Commission recommends that all postsecondary institutions receiving postsecondary aid for technical education, including the four technical schools and Northeast Kansas Technical College, should move towards some form of postsecondary governance either through a merger, an affiliation, or as an accredited college with an independent governing board, if they have not already done so.
- The Commission recommends that an Independent Board of Control be strongly considered as a form of governance for technical education in Kansas.
- The Commission also recommends that other forms of governance for technical education be strongly considered, in addition to the previous recommendation regarding an independent governing board.
- The Commission shall present its technical education governance recommendation no later than 45 days from the presentation of this report on January 1, 2007.

FUNDING

During the 2006 interim, the Commission studied funding for technical education in Kansas. Staff from the Revisor of Statutes' Office reviewed legislation for funding technical institutions in Kansas; Blake Flanders, Director of Workforce Training and Education Services, KBOR, provided background information on the general funding sources for technical institutions; and Diane Duffy, Vice-President for Finance and Administration, KBOR, presented an overview of state funding for technical education.

Overview

Funding Sources for Postsecondary Technical Education. Technical education in Kansas is financed with public and private funding and includes:

- State postsecondary aid;
- State capital outlay;
- State community college operating grant and out-district tuition offset;
- Federal Carl Perkins funds;

- Local mill levies;
- Student tuition and fees; and
- Grants and contracts with public and private entities.

State Funding. The state funds postsecondary technical education through three primary SGF line items: postsecondary aid, capital outlay, and the community college operating grant. For FY 2007, it is conservatively estimated that total state spending for postsecondary technical education at technical schools and colleges and community colleges is approximately \$65.7 million, or 8.4 percent of the \$782.5 million in state funds that the 2006 Legislature approved for postsecondary education.

**Technical Schools and Colleges and Community Colleges
FY 2007 Current State Funding for Technical Education**

Institution	Postsecondary Aid	Capital Outlay	CC Operating Grant	Total
Technical Schools (TS)				
Kansas City Area TS	\$ 3,116,325	\$ 172,918	\$ 0	\$ 3,289,243
Kaw Area TS	2,646,291	175,772	0	2,822,063
Salina Area TS	2,056,061	139,869	0	2,195,930
Southwest Kansas TS	1,615,784	129,778	0	1,745,562
Subtotal	\$ 9,434,461	\$ 618,337	\$ 0	\$ 10,052,798
Technical Colleges (TC)				
Flint Hills TC	\$ 2,277,047	\$ 149,808	\$ 0	\$ 2,426,855
Manhattan Area TC	2,527,226	150,000	0	2,677,226
North Central Kansas TC	3,444,704	163,256	0	3,607,960
Northeast Kansas TC	1,461,500	138,597	0	1,600,097
Northwest Kansas TC	3,112,936	152,974	0	3,265,910
Wichita Area TC	6,633,092	204,317	0	6,837,409
Subtotal	\$ 19,456,505	\$ 958,952	\$ 0	\$ 20,415,457
Combined CC and AVTS				
Cowley County CC/AVTS	\$ 0	\$ 150,178	\$ 0	\$ 150,178
Pratt CC/AVTS	0	121,728	0	121,728
Subtotal	\$ 0	\$ 271,906	\$ 0	\$ 271,906
Merged CC and AVTS				
Coffeyville CC/AVTS	\$ 1,055,494	\$ 131,915	\$ 0	\$ 1,187,409
Dodge City CC/AVTS	0	123,019	0	123,019
Hutchinson CC/AVTS	1,189,334	185,451	0	1,374,785
Johnson County CC/AVTS	1,229,971	275,420	0	1,505,391
Subtotal	\$ 3,474,799	\$ 715,805	\$ 0	\$ 4,190,604
Community Colleges *	\$ 0	\$ 0	\$ 30,737,065	\$ 30,737,065
TOTAL	\$ 32,365,765	\$ 2,565,000	\$ 30,737,065	\$ 65,667,830

Note: The information in the table above was provided by the KBOR.

* The \$30.7 million estimated for technical education from the community college operating grant is based on a conservative estimate that approximately 30.0 percent of community college spending goes towards technical credit hours. However, if technical credit hours at community colleges are weighted compared to regular academic hours at a ratio of 1.75:1 or 2:1, then the estimated amount would increase to \$44.0 million or \$47.4 million, respectively. In addition, the total funding would increase to \$78.9 million (ratio of 1.75:1) or \$82.3 million (ratio 2:1), depending upon the ratio used.

The 2006 Legislature approved \$34.9 million in postsecondary aid and capital outlay for technical education in FY 2007, most of which goes to the technical schools and colleges. In addition, a portion of the community college operating grant conservatively estimated at approximately \$30.7 million went for technical education. According to Ms. Duffy, community college enrollment data from FY 2006 indicates that 30.0 percent of community college credit hours are technical credit hours and 70.0 percent are academic credit hours. She explained that if one assumes that enrollments mirror spending, then \$30.7 million of the \$102.5 million appropriated to community colleges through the community college operating grant supports technical credit hours.

However, Dr. Berger, President, HCC/AVTS, informed the Commission that technical education costs for community colleges could be as high as 45 percent of total expenditures because of the increased costs to provide technical training. He also suggested that funding for technical education be weighted compared to regular academic hours at a ratio of 1.5: to 1 or even 2:1.

Ms. Duffy estimated that if the technical credit hours at community colleges (the estimated 30.0 percent mentioned above) are weighted compared to regular academic hours at a ratio of 1.75:1 or 2:1, then:

- For a ratio of 1.75:1, \$44.0 million of the \$102.5 million appropriated in FY 2007 through the community college operating grant would support technical education credit hours; or
- For a ratio of 2:1, \$47.4 million of the \$102.5 million appropriated in FY 2007 to community colleges through the community college operating grant would support technical education credit hours.

If the weighted funding for technical education credit hours is included, the estimated FY 2007 state funding for technical education increases from \$65.7 million to \$78.9 million (ratio of 1.75:1), or \$82.3 million (ratio 2:1), depending upon the ratio used.

The source of state funding for technical education for the 29 two-year institutions depends upon each institution's structure and history.

- The four technical schools and six technical colleges receive state funding through postsecondary aid and capital outlay. The technical colleges do not have local taxing authority and are primarily dependent upon state appropriations and student tuition. The technical schools under a USD board of education may receive revenue from local levies made by the board.
- The two community colleges that originally combined with area vocational-technical schools (Cowley County CC/AVTS and Pratt CC/AVTS) receive funding for technical programs through the community college operating grant.
- Of the four community colleges that merged with area vocational-technical schools after 1992, three (Coffeyville CC/AVTS, Hutchinson CC/AVTS, and Johnson County CC/AVTS) receive postsecondary aid for technical programs. Dodge City CC/AVTS operates its technical programs as credit hour programs and, therefore, receives funding through the community college operating grant.
- The other 13 community colleges receive funding for technical programs through the community college operating grant.

Ms. Duffy noted that whether a community college receives funding for technical programs through postsecondary aid or through the community college operating grant is based on legislation which gave them a choice when they merged with an area vocational-technical school.

The following table summarizes postsecondary aid expenditures from the SGF and the Economic Development Initiatives Fund from FY 2003 to FY 2007 (approved).

State Postsecondary Aid

Fund	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Approved
State General Fund	\$ 19,486,488	\$ 15,299,515	\$ 19,673,603	\$ 20,673,603	\$ 25,408,603
Economic Development Initiatives Fund	6,144,277	10,331,250	6,957,162	6,957,162	6,957,162
TOTAL	\$ 25,630,765	\$ 25,630,765	\$ 26,630,765	\$ 27,630,765	\$ 32,365,765

Note: The information in the table above was provided by the KBOR.

Student Tuition and Fees. In June of each year, KBOR approves tuition and fee rates for technical schools and colleges for the upcoming fiscal year. In 2002, the Legislature amended KSA 72-4433 to remove the 15.0 percent cap for student tuition in order to give the institutions the flexibility to make up for shortfalls in postsecondary state aid. Technical institutions are allowed to charge differential rates of tuition by program, fixed by each local board and subject to KBOR approval. There is a wide variation in the cost of attendance across the institutions. Of the 16 technical institutions, nine charged by clock hour and seven by credit hour. In-state clock hour tuition ranges from \$1.45 per clock hour at Hutchinson Community College to \$3.30 to \$6.60 at Wichita Area Technical College. In-state tuition charged on a credit hour basis ranges from \$35 per credit hour at Dodge City Community College to \$85 per hour at Flint Hills Technical College.

Federal Funds. Carl D. Perkins Career and Technical Education funds provide a federal source of funding for career and technical education. Kansas receives approximately \$12.6 million per year. The KBOR administers \$6.8 million and the KSDE administers the remaining \$5.8 million. The grant funds must be distributed as follows: 85.0 percent to local education agencies, 10.0 percent to fund state leadership activities, and 5.0 percent for administration. All federal funds expended on administration must be matched on a dollar-for-dollar basis by state funds.

Recent Methodologies Used to Allocate State Postsecondary Aid. In 1981, Kansas enacted legislation (KSA 72-4431 *et seq.*) creating the 85.0 percent postsecondary aid and 15.0 percent tuition funding formula (the Legislature removed the 15.0 percent cap on tuition in 2002 HB 2821). Technical institutions are entitled to receive postsecondary aid in the amount of 85.0 percent of the product of the local cost per enrollment hour and total postsecondary enrollment. KBOR is required by statute (KSA 72-4430 and KSA 72-4431) to approve each institution's operating budget for postsecondary aid purposes. The distribution of postsecondary aid is made from appropriations with 50.0 percent of the estimated amount distributed August 1 and the remainder on January 1. In recent years, three approaches have been used to allocate postsecondary aid: the 85.0 percent entitlement formula, a block grant, and a three-year rolling average of enrollment.

85.0 Percent Entitlement Formula. From FY 2000 to FY 2004, the 85.0 percent entitlement formula was calculated by taking an institution's approved operating budget and dividing it by the total number of instructional hours delivered to all students to determine the cost per enrollment hour. Then, this figure was multiplied by the number of hours of instruction for postsecondary students only. Technical institutions were to receive 85.0 percent of the resulting amount. According to KBOR, state appropriations in recent years have been insufficient to fund the actual amounts the

institutions were entitled to based on the funding formula. As a result, appropriated funds have been disbursed to the institutions based on their pro-rata share of the total entitlement. For example, in FY 2002, the 13 schools and colleges eligible to receive postsecondary aid generated 4.4 million postsecondary clock hours. Under the formula, they were entitled to receive \$28.6 million in state aid. However, the total appropriation was \$27.0 million, leaving the formula underfunded by \$1.6 million.

The table below details the KBOR budget request for postsecondary aid, state appropriations, and the actual calculated 85/15 entitlement for FY 2000 to FY 2007 (approved).

**Technical Schools and Colleges Postsecondary Aid Funding
FY 2000 - FY 2007 (approved)**

Fiscal Year	State Appropriation	Actual Calculated 85/15 Entitlement	KBOR Budget Request
FY 2000	\$ 26,224,068	\$ 26,954,311	\$ N/A
FY 2001	26,424,068	27,189,775	28,016,105
FY 2002	26,966,871	28,568,148	31,465,968
FY 2003	25,630,765	29,595,895	29,166,871
FY 2004	25,630,765	28,517,272	29,930,765
FY 2005	26,630,765	30,432,957	30,168,610
FY 2006	27,630,765	31,854,074	31,628,610
FY 2007	\$ 32,365,765	\$ New method	\$ 29,442,511

Note: The information in the table above was provided by the KBOR.

Note 2: KBOR's budget request is based on an estimate of the 85/15 entitlement, which is why the KBOR request was slightly less than the actual 85/15 amount in some fiscal years. In each year from FY 2000 to FY 2006, the KBOR budget request includes a separate amount specifically to cover the estimated shortfall of the 85/15 formula.

Note 3: At the request of the KATSC, the allocation methodology was adjusted for FY 2007 and KBOR approved a three-year rolling average of enrollment that will be implemented over several years.

Block Grant Method. Beginning in FY 2005, a block grant approach was used to allocate postsecondary aid. The amount allocated in FY 2005 was increased by an incremental amount and pro-rated based on FY 2004 distribution of postsecondary aid. The same block grant method was used to allocate funding in FY 2006.

New Allocation Method. Over the last several years there had been ongoing discussions about the need to align funding with hours taught. Last fall, the KATSC came to KBOR with a proposal to change the allocation method to better align funding with hours taught and to correct inequities that had evolved over time.

The KBOR, in consultation with the KATSC, approved a short-term strategy to make the needed corrections over the next three years. For FY 2007, KBOR allocated funds to the technical institutions based on a validated number of postsecondary clock hours of instruction generated from approved courses. This new formula uses a three-year rolling average to calculate a baseline. One-third of the correction needed to correct inequities will be implemented in each of the next three fiscal years. The 2006 Legislature required that institutions be held harmless so any new adjustments will be made with new funding.

In addition, beginning on July 1, 2006, technical schools and colleges are required to report enrollment in credit hours. Over the course of the three years, the funding mechanism will be converted from clock hours to credit hours.

State Capital Outlay Aid. KSA 72-4440 provides that the technical schools and colleges and community colleges which have merged with area vocational-technical schools may receive capital outlay aid for facilities' improvements and equipment. These funds may be used for bricks and mortar improvements, such as construction, reconstruction, repair, remodeling, additions to, furnishing and equipping school buildings, and architectural expenses. Currently, capital outlay funds are allocated to the technical institutions on the basis of \$100,000 per institution, with the balance of the appropriation allocated based on clock-hour production. The technical institutions are not allowed to carry forward capital outlay aid funds from year to year.

State Capital Outlay Aid

Fund	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Approved
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Economic Development Initiatives Fund	2,565,000	2,565,000	2,565,000	2,565,000	2,565,000
TOTAL	\$ 2,565,000	\$ 2,565,000	\$ 2,565,000	2,565,000	\$ 2,565,000

Note: The information in the table above was provided by the KBOR.

Performance Agreements. The 2002 Legislature amended KSA 74-3202d which, beginning in FY 2006, made receipt of new state funds by all postsecondary educational institutions, including technical institutions, contingent upon compliance with the institution's performance agreement. The statute provides that KBOR determines the amount of new state funds that each postsecondary institution will receive for the ensuing fiscal year, taking into account the postsecondary institutions's level of compliance with its performance agreement and funds available for distribution.

If new funding is available, the implementation of the performance agreement makes a technical institution eligible for additional state funding. If a technical institution does not receive new state funds in a particular fiscal year due to a failure to meet the goals in the performance agreement, the lost funds become part of the institution's base budget in determining state funding allocations in future fiscal years. An institution is precluded from permanently losing state funding due to noncompliance with its performance agreement. The loss of funds is for only one fiscal year. Any portion of new state funding not allocated to an institution in a fiscal year will not be reallocated to other institutions.

Funding Concerns: Wichita Area Technical College. Throughout the interim, the Commission heard about the funding concerns of some of the technical institutions, including Wichita Area Technical College (WATC). Jim Means, Interim President, WATC, informed the Commission that in FY 2004 state funding provided 47.0 percent of the cost of programs rather than the promised 85.0 percent. The deficit was partially alleviated by USD 259 funds. However, when WATC became independent in order to qualify for HLC-NCA accreditation, USD 259 chose to withdraw support for postsecondary education enrollments and the college adult education program (ABE), an action that, beginning in FY 2007, could eliminate the ABE program. Mr. Means also noted that the new KBOR funding formula based on a three year rolling average of actual clock hours will ultimately result in a 10.0 percent reduction in the college's funding stream, hampering its ability to deliver quality technical education (Note: WATC has reduced the hours taught by almost half).

During discussion, a member of the Commission noted that WATC's attempt to gain taxing authority was unsuccessful because its governing board is unelected. However, staff commented that there is precedent for an unelected board (e.g. the Topeka and Shawnee County Library Board) to have taxing authority.

2-25

Funding Issues

The Commission notes the following issues that were discussed concerning the funding of technical education in Kansas:

- **Varied Funding Schemes in Postsecondary Education.**

- While technical schools governed by a USD and community colleges have access to local property tax revenue, technical colleges do not, which makes them dependent upon state appropriations and student tuition. In addition, a mill levy is only permitted in the home county of a community college, which raises problems for a community college which may merge with a technical institution that is not in its home county.
- While community colleges serve approximately 77.0 percent of the technical education students served by two-year institutions, state support (per FTE) for technical schools and colleges and area vocational-technical schools that merged with community colleges is greater than what is provided to community colleges. For FY 2005, state revenue per FTE was \$6,594 for technical schools, \$6,852 for technical colleges, and \$5,873 for merged community colleges and area vocational-technical schools. If the conservative estimate of 30.0 percent of the community college operating grant is spent on technical education, then the state revenue per FTE for community colleges is \$2,297. However, if it is estimated that 45.0 percent of the community college operating grant is spent on technical education, then the state revenue per FTE for community colleges increases to \$3,446.

- **Adequacy of Funding.**

- The 85/15 postsecondary state aid formula has not adequately funded technical colleges, technical schools, and area vocational-technical schools that have merged with community colleges. The formula has become, in practice, a block grant with no incentive for growth.
- There are inequities and inadequacies in state funding for technical facilities.
- The cost of education in certain areas of the state is higher than in other areas. As a result, some technical institutions are required to pay higher salaries to retain instructional staff.

Possible Solutions

During the 2006 interim, the Commission reviewed several possible funding solutions for technical education, including recommendations made by KBOR, KATSC, and KACCT.

KBOR Recommendation. During its November meeting, the Commission reviewed the KBOR recommendation for funding technical education. The President and CEO of the KBOR explained that KBOR recommended the development of a weighted funding model, along with an adequate funding mechanism for the delivery of all technical education. The KBOR plans to work on developing this new long-term funding model to replace the short-term strategy of using a three-year rolling average.

Technical Colleges' Recommendation. At its December meeting, the Commission also reviewed the technical colleges' recommendation for funding technical education. Mr. Coco, President, North Central Technical College, who was representing the technical colleges in Kansas,

proposed that all funding for technical education would flow through the proposed Department of Career and Technical Education using the following weighted formula:

- Level I - All general education and low cost technical education.
- Level II - Medium cost technical education.
- Level III - Very high cost technical education.
- Level IV - Clock-hour funding for business and industry classes less than 15 hours.
- Level V - Adult basic education classes.

KACCT Recommendation. At its December meeting, the Commission reviewed the KACCT recommendation for funding technical education. Dr. Berger, President, HCC/AVTS, on behalf of KACCT, proposed that:

- All technical programs and classes be funded at the same level regardless of sector;
- Funding sources for all technical programs would come from the state and the student; and
- There would be new revenue required for Kansas to fund technical education.

LEPC Recommendation. At the November meeting, staff reviewed the technical education funding recommendation made by the LEPC. The Committee recommended the addition of \$34.0 million in funding in FY 2008 and another \$34.0 million in FY 2009 in postsecondary aid and capital outlay for technical schools and colleges, in addition to the \$34.9 million already spent—for a total funding of \$102.9 million in postsecondary aid and capital outlay by FY 2009.

The Commission understands that the LEPC made its recommendation based on information provided by Georgia which spends \$300.0 million a year on technical education and has a population three times that of Kansas. If Kansas spent proportionally to Georgia, it would spend \$100.0 million on technical education.

Other Options. The Commission also briefly reviewed the following possible funding options:

- Allow technical colleges taxing authority if they provide adult basic education, which is usually under the purview of USDs.
- Implement a statewide tax to support technical colleges.
- Base funding for technical colleges on student performance skills, rather than on clock hours.

Recommendations

The Commission made the following recommendations concerning funding:

- The Commission recommends a substantial amount of additional funding in FY 2008 and FY 2009 for postsecondary technical education, as recommended by the LEPC. The Commission also recommends a funding formula that will include equitable standards for

postsecondary education and allow for program/enrollment growth with enhancement funds in a timely fashion.

- The Commission will further review the funding formula for technical education as well as the standardization of programs and the clock hour/credit hour conversion issue and will present its recommendations on these items no later than 45 days from the presentation of this report on January 1, 2007.



House Committee on Education
Wednesday, January 17, 2007

Testimony in Support of HB 2014

Chair Aurand and Committee Members, thank you for the opportunity to present testimony regarding the Kansas Technical College and Vocational School Commission. I am Dr. Robert Edleston, President of the Manhattan Area Technical College and Commissioner on the Kansas Technical College and Vocational School Commission. I am here today on behalf of the Kansas Association of Technical Schools and Colleges in support of HB 2014.

The Kansas Technical College and Vocational School Commission has begun an important work. There has been significant progress during late 2006 and into January of this year. Information has been gathered from across the state and the nation, testimony by dozens of experts has been heard, and a great deal of thoughtful discussion has been exchanged. In early January 2007 the Commission provided Governor Sebelius a preliminary report regarding our progress and tentative recommendations. By February 15, 2007 the Commission will submit a final report to the Governor and the Legislature. This report will act as an informed recommendation regarding changes in the mission, finance, and governance of Kansas technical education.

Our single most prevalent concern is that we provide the Legislature with a plan that fails to create a long-term solution. We therefore endorse HB 2014 and request the Commission be allowed to continue studying and monitoring the progress toward a strong, well funded, nimble technical education system that will serve Kansas business and industry far into the 21st century.

This concludes my testimony. I will be glad to stand for questions from the committee.

For additional information please contact Lobbyists:

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House Education Committee
Date: 1-17-07
Attachment # 3

**Testimony on HB 2017
House Education Committee
January 17, 2007**

Thank you for the opportunity to present written comments on HB 2017, which would establish a special commission to study and make recommendations on English for Speakers of Other Languages (ESOL) education issues.

The mission of United School Administrators of Kansas (USA|Kansas*), through collaboration of member associations, is to serve, support, and develop educational leaders and to establish USA|Kansas as a significant force to improve education.

Education administrators remain committed to ensuring that each and every child in Kansas receives a quality education that will help them reach their potential and become successful, productive adults.

To this end, USA|Kansas encourages the Legislature to support initiatives that ensure teachers are entering the profession, better prepared to teach English language learners. This is an area of immediate and growing need across our state, and transcends geographic (urban/rural) boundaries.

USA|Kansas supports the spirit of HB 2017; however, we ask that the bill be amended to include the following:

1. At least one member of the ESOL Commission shall be a K-12 district- or building-level administrator; and
2. The Commission's final report shall be submitted to the Legislative Educational Planning Committee (LEPC), who has been directed by the Legislature with "planning for public and private postsecondary education" among its statutory obligations.

We commend the Committee's leadership in addressing the current and emerging issues related to ESOL education. If we may provide further information to assist in the committee's deliberations, please do not hesitate to call on us.

*USA|Kansas represents more than 2,000 individual members and ten member associations:

Kansas Association of Elementary School Principals (KAESP)
Kansas Association of Middle School Administrators (KAMSA)
Kansas Association of School Administrators (KASA)
Kansas Association of School Business Officials (KASBO)
Kansas Association of School Personnel Administrators (KASPA)
Kansas Assoc for Supervision and Curriculum Development (KASCD)
Kansas Association of Special Education Administrators (KASEA)
Kansas Association of Secondary School Principals (KASSP)
Kansas Council of Career and Technical Education Administrators (KCCTEA)
Kansas School Public Relations Association (KanSPRA)

House Education Committee
Date: 1-17-07
Attachment # 4

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HIGHER EDUCATION
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LEGISLATIVE EDUCATION
PLANNING

TESTIMONY ON HB 2017

Chairman Aurand and members of the House Education Committee, thank you for allowing me to appear today in support of HB 2017. This bill was introduced by the Legislative Educational Planning Committee (LEPC) which is a joint House and Senate committee which met during the interim, holding hearings and proposing legislation to address concerns and recommendations presented to the committee members by the public, governmental agencies and commissions.

As a member of LEPC, I would like to share with you the background of the development of HB 2017.

First, committee members heard that the 2010 Commission made four recommendations in regard to English Language Learners, one of which dealt with the instruction received by students studying to become teachers. The Commission recommended that the Board of Regents review higher education instruction for post-secondary students studying to become teachers. They also recommended that "all students completing instruction to become public school teachers should be instructed in teaching English Language Learners, and furthermore, should be required to gain an ELL endorsement to their teaching certification.

After hearing of the 2010's recommendation, the LEPC were briefed on the subject by the Kansas Department of Education, by a District Superintendent, and by Kansas State University and Emporia State University. Given the growth in English Language Learners in the past ten years and the projection that by 2025 half of the students will be minorities, many of whom either do not speak English well or at all, the Committee became very concerned about the insistence of the two universities that the students would have to take extra time to have an endorsement and the expressed need by districts to have teachers who know of strategies which assist ELL students in learning. Since one of the sub-groups within No Child Left Behind is English Language Learners, it is important for all districts which have ELL students have teachers who have developed the skills needed to effectively teach ELL students. It was the feeling of LEPC that a task force would be able to determine how to incorporate ESOL strategies into the preparation of all teachers

HB 2017 establishes a nine member commission which would be charged with conducting studies to determine the current and the future need for teachers trained to teach English Language Learners; to determine whether the current teacher education programs should include coursework that would prepare them to work with English Language Learners; and to conduct any other study relating to teachers of English Language Learners as directed by the legislative coordinating council (LCC). The commission would submit to the 2010 Commission and to the Governor a report on its activities on October 1, 2007 and on October 1, 2008 and then would submit a final

House Education Committee
Date: 1-17-07
Attachment # 5

report to the Governor and the 2010 Commission by December 31, 2008. The Act would sunset on December 31, 2008.

Thank you for your support!

Deena Host
Representative, 69th District