

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairman Dwayne Umbarger at 9:45 A.M. on March 23, 2007, in Room 123-S of the Capitol.

All members were present.

Committee staff present:

Jill Wolters, Senior Assistant, Revisor of Statutes  
Theresa Kiernan, Senior Assistant Revisor of Statutes  
Alan Conroy, Director, Kansas Legislative Research Department  
J. G. Scott, Kansas Legislative Research Department  
Audrey Dunkel, Kansas Legislative Research Department  
Julian Efir, Kansas Legislative Research Department  
Sharon Wenger, Kansas Legislative Research Department  
Michael Steiner, Kansas Legislative Research Department  
Melinda Gaul, Chief of Staff, Senate Ways & Means  
Mary Shaw, Committee Assistant

Conferees appearing before the committee:

Representative Ann Mah  
Reggie Robinson, President and CEO, Kansas Board of Regents  
Eric Stafford, Assoc. Director of Government Affairs, Assoc. Gen. Contractors of Kansas  
Sheila Frahm, Executive Director, Kansas Association of Community Colleges Trustees  
David Reist, President, Highland Community College and COP Chair  
Richard Hoffman, Kansas Association of Technical Schools and Colleges (written)  
Joseph Glassman, Commissioner, Hays, Kansas (written)

Others attending:

See attached list.

Chairman Umbarger turned the committee's attention to discussion of:

**HB 2246--Amendments to unclaimed property act allowing interest to be paid to certain claimants**

Senator V. Schmidt moved, with a second by Senator Emler, to recommend HB 2246 favorable for passage. Motion carried on a roll call vote.

**SB 365--Primary care safety net clinic capital loan guarantee act**

A letter was distributed from Karla Finnell, Executive Director, Kansas Association for the Medically Underserved regarding **SB 365** (Attachment 1).

Chairman Umbarger recognized Mike Hutfles who explained a balloon amendment regarding **SB 365** (Attachment 2).

Senator V. Schmidt moved, with a second by Senator Teichman, to amend SB 365 to adopt Parts 1,2,4,5,6,7 and 8 of the balloon amendment, give the Revisor authorization to add Senate language, and regarding Part 3 of the balloon amendment authorize the Revisor to add loan language and work with Mr. Hutfles on Part No. 5. Motion carried on a voice vote.

Senator V. Schmidt moved, with a second by Senator Kelly, to recommend SB 365 favorable for passage as amended. Motion carried on a roll call vote.

Chairman Umbarger opened the public hearing on:

**HB 2556--Postsecondary technical education authority**

CONTINUATION SHEET

MINUTES OF THE Senate Ways and Means Committee at 9:45 A.M. on March 23, 2007, in Room 123-S of the Capitol.

Staff briefed the committee on the bill.

The Chairman welcomed the following conferees:

Representative Ann Mah testified in support of **HB 2556** (Attachment 3). Representative Mah explained that technical education keeps students in school and engaged. She noted that in the state of Oklahoma there are 520,000 students in technical schools. Representative Mah mentioned that **HB 2556** aligns technical standards and curricula statewide and establishes the postsecondary technical education authority under the auspice of the Kansas Board of Regents to be the point to contact to ensure that technical education is meeting the needs of industry and Kansans.

Reginald "Reggie" Robinson, President and CEO, Kansas Board of Regents, testified in qualified support of **HB 2556** (Attachment 4). Mr. Robinson expressed his sincere appreciation and thanks to the members of the Kansas Technical College and School Commission for all of their hard work. He made note that the Kansas Board of Regents has long recognized the need to reform the career and technical education system. Mr. Robinson explained that from the Board's perspective, the formal, statutory creation of an Authority and the dual reporting structure of the Executive Director of the authority are not ideal, but they believe workable. He also mentioned that the creation of the Authority calls for substantial staffing capacity and support for the new function and without the resources necessary to adequately support the work. In closing, Mr. Robinson expressed concern about funding because it would come to the Kansas Board of Regents as a mandate.

Eric Stafford, Associated Director of Government Affairs, Associated General Contractors of Kansas, spoke in support of **HB 2556** (Attachment 5). Mr. Stafford mentioned that the Associated General Contractors of Kansas supports **HB 2556** and requests that the committee report it favorably for passage. He noted that Kansas desperately needs a coordinated, well-funded, technical education system that is responsive to the industries that will eventually be providing jobs to the students graduating from these programs.

Sheila Frahm, Executive Director, Kansas Association of Community College Trustees, testified in opposition to **HB 2556** (Attachment 6). Ms. Frahm provided the following information:

- Senate Task Force on Higher Education, Kansas Board of Regents, January 31, 2007, Blake Flanders, Ph.D., Director of Career and Technical Education - historical background on Technical Schools and Colleges (Attachment 7)
- Kansas Association of Community College Trustees, 2006 Local Mill Levy (Attachment 8)
- Kansas Board of Regents, Technical Education Funding, requested by the Kansas Association of Community College Trustees (Attachment 9)

Ms. Frahm explained why Kansas community colleges do not endorse **HB 2556** as currently written with details in her written testimony. She mentioned that the Kansas Association of Community College Trustees recommends and asks for consideration of an amendment that would create a Vice President of Workforce Training, a focused advisory council to advise the Board of Regents and require a reporting mechanism back to the legislature to assure the ongoing success of workforce training for the future of the State of Kansas. Written details of why the community colleges support this amendment are in Ms. Frahm's written testimony. In closing, Ms. Frahm noted that neither plan will succeed without adequate funding. They believe the amendment provides an efficient alternative to the original bill while making the system accountable for the dollars spent.

David Reist, President, Highland Community College, testified in opposition to **HB 2556** (Attachment 10). Mr. Reist mentioned that the 19 community colleges agree with the Technical Commission's report on mission and funding. He noted that community colleges are asking that the Kansas Board of Regents be given resources to handle technical education within their existing structure - a Vice President for Workforce Training, an adequate staff and advisory board made up of individuals representing various occupational clusters from around the state. In closing Mr. Reist explained that the community colleges support the amendment.

CONTINUATION SHEET

MINUTES OF THE Senate Ways and Means Committee at 9:45 A.M. on March 23, 2007, in Room 123-S of the Capitol.

Written testimony was submitted by:

Richard Hoffman, President, Kansas Association of Technical Schools and Colleges and Director of Kaw Area Tehcnical School (Attachment 11).

Joseph Glassman, Commissioner, Glassman Corporation, Hays, Kansas (Attachment 12)

Committee questions and discussion followed. There being no further conferees to appear before the committee, the Chairman closed the public hearing on **HB 2556**.

The meeting adjourned at 12:00 p.m. The next meeting is scheduled for March 26, 2007.

SENATE WAYS AND MEANS COMMITTEE  
GUEST LIST

Date March 23, 2007

Name	Representing
Bob Masters	KBOR
Blake Flanders	KBOR
PEGGY HANNA	Ofc of State Treasurer
Diane Gjerstad	Wichita Public Schools
TERRY FORSYTH	KNEA
Juni Ross	KACCT
David Reist	Highland Community College
Sheila Frahm	KACCT
Lindsey Douglas	Hein Law Firm
Bernie Koch	Wichita Metro Chamber of Commerce
Cara Creve	KAMU
Ethan Erickson	KDOT
Adam Dunkel	KDTE
Susan Kang	KDTE
KATHY GILKINSON	Kearney Associates
Richard Samaniego	"
Steve Kearney	"
Kannie Leffer	DOB



Kansas Association  
for the  
Medically Underserved  
*The State Primary Care Association*

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1129 S Kansas Ave., Suite B Topeka, KS 66612 785-233-8483 Fax 785-233-8403 www.kspca.org

March 24, 2007

Senator Dwayne Umbarger  
State Capitol, Room 120-S  
Topeka, KS 66612

Senator Umbarger,

There has been much discussion on the fiscal note for SB 365, the primary care safety net clinic capital loan guarantee program. The fiscal note submitted by the Division of Budget was \$160,000. We believe this to be high.

After discussions with the Department of Health and Environment and the Kansas Development Finance Authority (KDFFA), the fiscal note has been lowered considerably. Please understand, this is not official, but is more in-line with the resources required to run the program. KDHE is confident that this program could be included in the responsibilities of the additional 1.0 FTE in the Governor's FY 2008 budget for the agency. KDFFA has agreed to provide their service at ½ their normal rate. Many of these costs could be rolled into the loan itself. The United Methodist Health Ministries Fund has pledged \$10,000 for costs associated with developing forms and other items needed to start the program, including attorney and consulting fees.

When the changes above, plus a few others, are added up, the remaining fiscal note is approximately \$25,000. This amount includes per diem for the committee members and other incidental expenses. This could be lower depending on the number of loan applications to consider, meetings, etc.

If you have any questions, please feel free to contact Mike Huffles at 785-554-0628.

Sincerely,

Karla Finnell  
Executive Director

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Primary Care Safety Net Clinics - A Good Investment

Senate Ways and Means  
3-23-07  
Attachment 1

**SENATE BILL 365**

By Committee on Ways and Means

2-23

9 AN ACT enacting the primary care safety net clinic capital loan guar-  
10 antee act; prescribing powers, duties and functions for the secretary  
11 of health and environment; establishing the primary care safety net  
12 clinic loan guarantee committee and funds.

13

14 *Be it enacted by the Legislature of the State of Kansas:*

15 Section 1. The provisions of sections 1 through 7 and amendments  
16 thereto shall be known and may be cited as the primary care safety net  
17 clinic capital loan guarantee act.

18 Sec. 2. As used in the primary care safety net clinic capital loan guar-  
19 antee act:

20 (a) "Act" means the primary care safety net clinic capital loan guar-  
21 antee act;

22 (b) "community health center" means an entity that receives funding  
23 under section 330 of the federal health center consolidation act of 1996  
24 and meets all of the requirements of 42 USC section 254b, relating to  
25 serving a population that is medically underserved, or a special medically  
26 underserved population comprised of migratory and seasonal agricultural  
27 workers, the homeless, and residents of public housing, by providing,  
28 either through staff and supporting resources of the center or through  
29 contracts or cooperative arrangements, all required primary health serv-  
30 ices as defined by 42 USC section 254b;

31 (c) "federally-qualified health center look-alike" means an entity  
32 which has been determined by the federal health resources and services  
33 administration to meet the definition of a federally qualified health center  
34 as defined by section 1905(l)(2)(B) of the federal social security act, but  
35 which does not receive funding under section 330 of the federal health  
36 center consolidation act of 1996;

37 (d) "financial institution" means any bank, trust company, savings  
38 bank, credit union or savings and loan association or any other financial  
39 institution regulated by the state of Kansas, any agency of the United  
40 States or other state with an office in Kansas which is approved by the  
41 secretary for the purposes of this act;

42 (e) "indigent health care clinic" means an outpatient medical care  
43 clinic operated on a not-for-profit basis which has a contractual agreement

1 in effect with the secretary of health and environment under K.S.A. 75-  
2 6120 and amendments thereto to provide health care services to medically  
3 indigent persons;

4 (f) "loan transaction" means a transaction with a financial institution  
5 to provide capital financing for the renovation, construction, acquisition,  
6 modernization, leasehold improvement or equipping of a primary care  
7 safety net clinic;

8 (g) "medically indigent person" means a person who lacks resources  
9 to pay for medically necessary health care services and who meets the  
10 eligibility criteria for qualification as a medically indigent person estab-  
11 lished by the secretary of health and environment under K.S.A. 75-6120  
12 and amendments thereto;

13 (h) "primary care safety net clinic" means a community health center,  
14 a federally-qualified health center look-alike or an indigent health care  
15 clinic; and

16 (i) "secretary" means the secretary of health and environment.

17 Sec. 3. (a) Subject to the provisions of the appropriations acts, the sec-  
18 retary is hereby authorized to enter into agreements with primary care  
19 safety net clinics, financial institutions, and other public or private entities,  
20 including agencies of the United States government to provide capital  
21 loan guarantees against risk-of default for eligible primary care safety net  
22 clinics in Kansas in accordance with this act.

23 (b) To be eligible for a capital loan guarantee under this act, a primary  
24 care safety net clinic shall offer a sliding fee discount for health care and  
25 other services provided that is based upon household income and shall  
26 serve all persons regardless of ability to pay. The policies to determine  
27 patient eligibility based upon income or insurance status may be deter-  
28 mined by each primary care safety net clinic, but shall be posted in the  
29 primary care safety net clinic and available to potential patients. The pa-  
30 tient eligibility policies of a primary care safety net clinic shall reflect the  
31 mission of the primary care safety net clinic to provide affordable, acces-  
32 sible primary care to underserved populations in Kansas to be eligible for  
33 a capital loan guarantee under this act.

34 (c) The secretary shall administer the provisions of this act and shall  
35 adopt rules and regulations which the secretary deems necessary for the  
36 implementation or administration of this act. ~~The rules and regulations~~  
37 ~~shall include reporting requirements and financial covenants, including~~  
38 ~~reasonable financial performance covenants that are appropriate for the~~  
39 ~~type of loan for the borrower. The Secretary may enter into contracts that~~  
40 ~~the secretary deems necessary for the implementation or administration~~  
41 ~~of this act. (Insert)~~

42 Sec. 4. (a) Each agreement entered into by the secretary to guar-  
43 antee against default on a loan transaction shall be backed by the primary

**Comment [t1]:** Insert after financial institution, or the Kansas Development Finance Authority

**Comment [t2]:** Insert-Kansas Development Finance Authority after private entities but before agencies on line 20.

**Comment [t3]:** No claim against the State under this act shall be paid by the state or the agency except by appropriation act of the Legislature as per an approved claim filed against the Joint Committee on Special Claims.

**Comment [t4]:** Replace shall with may.

**Comment [t5]:** Line 36 and 37. Modify sentence to delete rules and regulations as well as financial covenants, including reasonable financial performance covenants; Insert after "The" loan guarantee agreement" Insert after requirements "reporting requirements and financial standards"

New Sentence will read-The rules and regulations shall include reporting requirements appropriate for the type of loan for the borrower.

**Comment [t6]:** New Sentence: The secretary may impose reasonable fees and charges not to exceed the actual expenses incurred as may be necessary to administer the provisions of this act.

1 care safety net capital loan guarantee fund and shall receive prior approval  
2 by the primary care safety net clinic loan guarantee review committee  
3 established under section 5, and amendments thereto.

4 (b) Each loan transaction eligible for a guarantee under this act shall  
5 be for renovation, construction, acquisition, modernization, leasehold im-  
6 provement or equipping of a primary care safety net clinic. Eligible costs  
7 may include land and building purchases, renovation and new construc-  
8 tion costs, equipment and installation costs, pre-development costs that  
9 may be capitalized, financing, capitalized interest during construction,  
10 limited working capital during a start-up phase and consultant fees which  
11 do not include staff costs.

12 (c) The aggregate principal amount of outstanding loan guarantees  
13 for any single borrowing organization shall not exceed \$3,000,000. The  
14 aggregate outstanding amount of all loan guarantees for borrowing or-  
15 ganizations, ~~including accrued interest~~, under this act shall not exceed  
16 \$25,000,000 at any time.

17 (d) Eligible tax-exempt bonds or conventional loans may be guaran-  
18 teed up to 100% under this act, subject to the other provisions of this act  
19 and the rules and regulations adopted by the secretary of health and  
20 environment therefor. Each eligible loan transaction shall require an eq-  
21 uity investment by the borrowing organization and shall have a loan-to-  
22 value ratio of at least 66%.

23 (e) The maximum term for an eligible loan transaction under this act  
24 for machinery or equipment shall be 10 years. The maximum term for an  
25 eligible loan transaction under this act for renovation, remodeling or  
26 leasehold improvements shall be 10 years. The maximum term for an  
27 eligible loan transaction under this act for new construction or land ac-  
28 quisition shall be 25 years.

29 Sec. 5. (a) There is hereby established the primary care safety net  
30 clinic loan guarantee review committee within the department of health  
31 and environment. The committee shall consist of five members.

32 (b) The members of the primary care safety net clinic loan guarantee  
33 review committee shall be appointed by the secretary in accordance with  
34 the following: (1) Two members shall be representatives of the depart-  
35 ment of health and environment selected by the secretary, (2) one mem-  
36 ber shall be appointed by the secretary ~~from among a list of persons~~  
37 ~~nominated~~ by the Kansas development finance authority, (3) one member  
38 shall be appointed by the secretary from among a list of persons nomi-  
39 nated by the Kansas health policy authority, and (4) one member shall be  
40 appointed by the secretary from among a list of persons nominated by  
41 the Kansas association for the medically underserved.

42 (c) The secretary may appoint persons as members of the primary  
43 care safety net clinic loan guarantee review committee who are officers

Comment [t7]: Replace \$25M with \$15M



1 or employees of the agencies or organizations they are nominated by or  
2 that they are appointed to represent. Not more than three members of  
3 the committee shall be affiliated with the same political party. Members  
4 shall serve at the pleasure of the secretary.

5 (d) The primary care safety net clinic loan guarantee review com-  
6 mittee shall review all proposals for loan financing guarantees under this  
7 act and shall approve those proposals that the committee deems to rep-  
8 resent reasonable risks and to have a sufficient likelihood of repayment.  
9 The committee shall advise the secretary on matters regarding the ad-  
10 ministration of this act when requested by the secretary and may provide  
11 such advice when deemed appropriate by the committee.

12 (e) The secretary or the secretary's designee shall serve as a nonvoting  
13 chairperson of the primary care safety net clinic loan guarantee review  
14 committee, and the committee shall annually elect a vice-chairperson  
15 from among its members. The committee shall meet upon call of the  
16 chairperson or upon call of any two of its members. Three voting mem-  
17 bers shall constitute a quorum for the transaction of business.

18 (f) Members of the primary care safety net clinic loan guarantee re-  
19 view committee attending meetings of the committee, or attending a sub-  
20 committee meeting thereof authorized by the committee, shall be paid  
21 compensation, subsistence allowances, mileage and other expenses as  
22 provided in K.S.A. 75-3223 and amendments thereto.

23 Sec. 6. (a) There is hereby established the primary care safety net  
24 clinic loan guarantee fund in the state treasury for the purposes of facil-  
25 itating the financing for the acquisition and modernization of primary care  
26 safety net clinics in Kansas and the refinancing of capital improvements  
27 and acquisition and installation of equipment therefor. The primary care  
28 safety net clinic loan guarantee fund shall be administered by the secre-  
29 tary. All moneys in the primary care safety net clinic loan guarantee fund  
30 shall be used to provide guarantees against capital loan risks in accordance  
31 with this act. All expenditures from the primary care safety net clinic loan  
32 guarantee fund shall be made in accordance with appropriations acts upon  
33 warrants of the director of accounts and reports issued pursuant to vouch-  
34 ers approved by the secretary or the secretary's designee.

**Comment [t8]:** and to pay for the reasonable administration costs incurred administering the loan guarantee program as may be certified by the secretary

35 (b) All moneys received by the secretary for the purposes of this act  
36 shall be remitted to the state treasurer in accordance with the provisions  
37 of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such  
38 remittance, the state treasurer shall deposit the entire amount in the state  
39 treasury to the credit of the primary care safety net clinic loan guarantee  
40 fund.

41 (c) Upon certification by the secretary to the director of accounts and  
42 reports that the unencumbered balance in the primary care safety net  
43 clinic loan guarantee fund is insufficient to pay an amount for a loan

1 guarantee for which the fund is liable under this act, the director of ac-  
2 counts and reports shall transfer an amount equal to the insufficiency  
3 from the state general fund to the primary care safety net clinic loan  
4 guarantee fund. The secretary shall transmit a copy of each such certifi-  
5 cation to the director of the budget and to the director of legislative  
6 research at the same time that the secretary submits a certification to the  
7 director of accounts and reports under this subsection.

8 (d) On or before the 10th of each month, the director of accounts  
9 and reports shall transfer from the state general fund to the primary care  
10 safety net clinic loan guarantee fund interest earnings based on:

11 (1) The average daily balance of moneys in the Kansas export loan  
12 guarantee fund for the preceding month; and

13 (2) the net earnings rate of the pooled money investment portfolio  
14 for the preceding month.

15 Sec. 7. The secretary shall prepare an annual report of the loan guar-  
16 antee activity under this act, including new loans, loan repayment status  
17 and other relevant information regarding activities under this act and shall  
18 submit the report of its activities to the legislature at the beginning of  
19 each regular session by submitting the annual report to the committee  
20 on ways and means of the senate, or to the appropriate subcommittee  
21 thereof, or to its successor committee, and to the committee on appro-  
22 priations of the house of representatives, or to the appropriate budget  
23 committee, or its successor committee.

24 Sec. 8. This act shall take effect and be in force from and after its  
25 publication in the statute book.

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TOPEKA

**HOUSE OF  
 REPRESENTATIVES**

**COMMITTEE ASSIGNMENTS**  
 EDUCATION  
 FEDERAL AND STATE AFFAIRS  
 GOVERNMENT EFFICIENCY AND  
 TECHNOLOGY

Senate Ways and Means Committee  
 Testimony – HB 2556

Chairman Umbarger and Committee:

It's not your father's workplace anymore. A K-12 education is now just a start. Lifelong learning is a key to work and life success. Postsecondary education is a must. What few realize is that to meet the demands of today's job market, 60% of our workers need a two-year technical education and only 20% need a four-year degree.

I serve on the North Central Association's Commission on Postsecondary Education, accrediting technical schools across 19 states. I have seen other states aligning their technical education efforts with the demands of the 21<sup>st</sup> century workplace and life. In Oklahoma, for example, technical education is provided to over 520,000 students on 54 campuses statewide. This includes 151,000 secondary students. Technical education keeps students engaged and in school. Students of all ages are learning skills for exciting and good-paying careers in aviation, telecommunications, biotechnology, machining, air conditioning and refrigeration, agriculture, automotive technology, construction management, graphic design, computer technology, and a host of health related fields, among many others.

These states actively and successfully recruit employers through customized, industry-specific training. Utilizing a governing body separate from K-12 or higher education, these states are focused on the specific opportunities arising from technical education and are thus responsive to the needs of employers and students alike.

Kansas is behind the curve on making technical education widely available to students and relevant to industry. There is no coordinated effort to find out what industry needs and deliver it. If Kansas is to attract and retain employers, we must do better. Our key economic industries of agriculture, aviation, and oil and gas, along with our new partners in bioscience and energy, are industries with a high demand for technically trained workers. But while other states are growing opportunities, Kansas is growing waiting lists. While other states are moving forward with seamless delivery systems, Kansas technical schools and colleges are left to reinvent the wheel in a piecemeal fashion.

Senate Ways and Means  
 3-23-07  
 Attachment 3

The Kansas Technical College and Vocational School Commission was charged with examining the current state of technical education and making recommendations for the future. The Commission heard testimony from technical education experts in Kansas and across the nation, from higher education professionals, and from industry.

The Commission's final recommendations reflect a fundamental shift in the governance and funding of technical education in Kansas. HB 2556 implements the governance portion of those recommendations, which was based on other successful models with Kansas-specific considerations. The funding formula has been sent to the education budget committee for its consideration.

HB 2556 aligns technical standards and curricula statewide. It establishes the postsecondary technical education authority under the auspice of the Kansas Board of Regents to be the point of contact to ensure that technical education is meeting the needs of industry and Kansans. It provides for the seamless delivery of technical education from high school to postsecondary training to the workforce.

As you make these kinds of systemic changes, you can expect pushback from those reluctant to move from the status quo. During the Commission's hearings, the pros and cons of various models were considered. There was a full and healthy debate, with all parties involved coming to the table. All sides compromised. I applaud the Commission for its resolve to do what is best for our state's future and push for significant change.

I'll let the Commissioners give you the details, but I want you to know that as someone who sees this from both a local and national perspective, HB 2556 is on target and very exciting in what it brings to our state at a time when we are trying to attract employers who will require thousands of technically trained workers and at a time when we are losing thousands of retiring Baby Boomers from the trades. This is a new vision for technical education in Kansas that has great promise for our state.

Mah Testimony  
 Attached

Programs with Waiting Lists or Private Sector Need									
	Flint Hills Technical College	Kansas City Area Technical School	Kaw Area Technical School	Manhattan Area Technical College	Northeast Kansas Technical College	Northwest Kansas Technical College	Salina Area Technical School	Southwest Kansas Technical School	Wichita Area Technical College
<b>Medical Fields</b>									
Acupuncture		x							
Cardiovascular/ Radiologic Technology									x
Certified Medical Assistant				x			x		
Clinical Lab Technician		x					x		
Dental Assistant/Hygiene/		x		x			x		x
Dental Hygiene	x						x		
Dietician Assistant		x							
EMT Training				x					
Massage Therapy		x	x						
Medical Assistant	x	x					x	x	
Medical Insurance Specialist		x		x			x		
Medical Records Technician		x		x			x		x
Nursing				x	x		x		x
Phlebotomist		x		x		x			
Physical/Respiratory Therapy							x		x
Pharmacy Tech/Assistant		x							
Surgical Technologist		x							
Veterinary Assistant		x							
X-ray technician							x	x	
<b>Vehicle/Machine Repair &amp; Operation</b>									
Alternative Energies Technician							x		x
Appliance Installation/Repair		x							
Automotive Technology				x	x		x	x	
Business Machine Repair		x							
Diesel Technology	x				x		x	x	
Hot Rod/High Performance/Motorcycle		x					x	x	
Medium/Heavy Vehicle/Truck Technician		x							
<b>Building Construction/Maintenance</b>									
Civil Engineering			x						x
Electrical and Power Transmission Installer		x					x		
Construction/Heavy Equipment Operation		x							
HVAC							x		
Welding	x				x		x		
Plumbing						x	x		
Metal Building Assembly		x							
Pipefitting/Pipefitter/Sprinkler Fitter		x							
Security System Installation/Repair/Inspection		x							
Parts/Warehousing Operations/Maintenance		x							
<b>Business/Office Programs</b>									
Computer/electronics				x	x				x
Digital Communication and Media	x	x							
Entrepreneurial/Small Bs Operation	x								
Command Spanish				x					
Office Occupations								x	x
Video Production	x								
<b>Others</b>									
Cosmetology	x		x				x		
Criminal Justice			x						
Aeronautical Technology									x
Farm and Ranch Management	x								
Food Service Management									x
GIS	x								



# KANSAS BOARD OF REGENTS

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March 22, 2007

Senator Dwayne Umbarger  
Chairman  
Senate Ways & Means Committee  
Statehouse, Room 120-S  
Topeka, KS 66612

Senator Laura Kelly  
Ranking Member  
Senate Ways & Means Committee  
Statehouse, Room 401-S  
Topeka, KS 66612

Dear Chairman Umbarger and Ranking Member Kelly:

On behalf of the Kansas Board of Regents, I write to you in qualified support of House Bill 2556. Before I address the bill, I want to express my sincere appreciation and thanks to the members of the Kansas Technical College and School Commission for all of the hard work, energy, and commitment they demonstrated as they studied the state's postsecondary technical education system and developed their proposals.

## **The Path to Reform Postsecondary Technical Education**

There one very important point I would like to make at the outset. There has been, floating in the air, this notion that somehow "the Kansas Board of Regents doesn't care about technical education." That impression inaccurate and reflects a total lack of appreciation regarding the level of attention the Board has placed on technical education issues during the last four years.

No one who has attended Regents meetings over the last four years could conclude that the Board fails to appreciate the importance of technical education. Even a cursory review of the Board's meeting agendas during that period demonstrates that this has been an area of critical focus. Further, no one who examines the budget requests that the Board has submitted to the Governor during recent years could even begin to argue that the Board has somehow failed to seek meaningful increases in funding for technical education. The notion that the Board has been inattentive to technical education is simply inaccurate.

The reality is that the Board of Regents has long recognized the need to reform the career and technical education system. Listed below is a timeline of activities demonstrating the progression of the effort towards building a more effective and efficient system.

Spring 2003 – Presidents/Directors of technical institutions met with me and encouraged greater focus on technical education.

*Senate Ways and Means  
3-23-07  
Attachment 4*

July 2004 – Kansas Board of Regents entered into a partnership with Kansas Department of Commerce and hired a liaison to strengthen the linkage between business and the postsecondary education and training system, predominately with career and technical education programs.

January 2005 – Liaison role expanded to include duties as State Director of Career and Technical Education.

August 2005 – Board discussed technical education reform at its retreat, and made a commitment to focus specifically on technical education issues in the coming year.

September 2005 – Board staff prepared a working paper, known as the “CTE Brief,” addressing technical education reform. The brief traced the development of the state’s postsecondary technical education sector, and outlined some “discussion” options related to governance of technical schools and colleges.

January 2006 – The CTE Brief was distributed to the 36 public postsecondary institutions. A period of six months was allocated for constituents to provide comments and feedback to Board staff regarding the options described within the Brief and any ideas/suggestions that were not addressed within the CTE Brief. Input was received from all the technical institutions either directly from the institutions or through the Kansas Association of Technical Schools and Colleges. Input was received from the community colleges either directly from the institution or via the Community College Presidents. Finally, input was received from Washburn University.

September 2006 – The Board of Regents, in cooperation with Department of Commerce and Kansas Inc., sourced a state workforce study, “Aligning Postsecondary Education and Training to Business Needs.” The purpose of the study is to secure reliable demand data to inform a new funding model for career and technical education programs.

July 2006 – The Legislature created the Kansas Technical College and Vocational School Commission (Commission) to study the governance, funding, and mission of Kansas technical colleges and vocational schools. I served as an ex-officio member of the Commission.

October 2006 – The Board of Regents unanimously approved staff final recommendations toward technical education reform. These recommendations include mergers/affiliations between technical schools and a community college or university and mergers/affiliations between technical colleges and a community college or university.

February 2007 – Board staff, in cooperation with leaders from community colleges and technical institutions, developed and presented a new approach for funding technical education to the Commission.

February 2007 – The Commission recommended all technical schools merge with a community college or university or become technical colleges by July 2008. The Commission also recommended creating the postsecondary technical education authority to enhance and continue the focus on reforming postsecondary career and technical education.

## **HB 2556 - Creation of the Postsecondary Technical Education Authority**

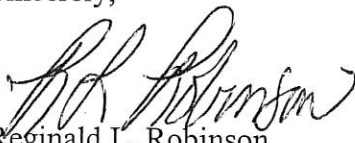
At a conceptual level, I support the notion of an entity within the Board of Regents structure that would focus on technical education issues and make recommendations to the Board regarding those matters. Such an entity, with membership that includes strong representation from the business and industry community and the Board, could have a powerful and positive impact on the delivery of postsecondary technical education. So, I believe there is real potential for the Authority proposed in this legislation to do some real good for the people of Kansas. I do want to express a couple of concerns, however.

From the Board's perspective, the formal, statutory creation of an Authority and the dual reporting structure of the Executive Director of the authority are not ideal, but we believe workable. In particular, I have some real concerns about the creation of a staff position within the Board of Regents structure with no real, bottom-line clarity about who has responsibility for supervising that staff person. This legislation creates a dual reporting structure. The proposed Executive Director would report both to the Board President & CEO and a group – the Authority. As I said, I think this is workable, but not at all ideal.

The creation of this Authority calls for substantial staffing capacity and support for this new function. Without the resources necessary to adequately support this work, it will fail. Further, without these additional resources, this structural proposal would create a damaging battle for funding support within the Board of Regents as an agency. That kind of battle would be harmful and would no doubt undermine the work we all want to see done on behalf of the people of this state. Without the state's investment of \$790,000 (SGF), the Board would oppose the legislation; and if passed would advocate its veto. HB 2556, coupled with the critically needed investments, will provide the advocacy to transform the technical education system into a more efficient and effective engine for workforce development in Kansas.

Thank you for the opportunity to comment.

Sincerely,

  
Reginald L. Robinson  
President and CEO



**TESTIMONY OF  
ASSOCIATED GENERAL CONTRACTORS OF KANSAS  
BEFORE SENATE COMMITTEE ON WAYS AND MEANS  
HB 2556**

March 21, 2007

By Eric Stafford, Associated General Contractors of Kansas, Inc.

Mister Chairman and members of the committee, my name is Eric Stafford. I am the Associate Director of Government Affairs for the Associated General Contractors of Kansas, Inc. The AGC of Kansas is a trade association representing the commercial building construction industry, including general contractors, subcontractors and suppliers throughout Kansas (with the exception of Johnson and Wyandotte counties).

**The AGC of Kansas supports House Bill 2556 and requests that you report it favorably for passage.**

Developing the future workforce has been a top priority for AGC of Kansas for several years. Demographics show that the construction industry will soon be losing a significant portion of its skilled workforce due to retirement. While our industry has realized this is looming and has been working desperately to prepare for it...the future is now...as companies are turning away work because they can not staff the projects. AGC recognizes that challenges lie ahead and they are great.

AGC has been working on developing a statewide, seamless construction program that would feature Kansas technical schools, colleges and community colleges. It has been AGC's vision to be create an opportunity for Kansas' young people to advance through a system, beginning in high school, that will best prepare them for a rewarding career in the construction industry. HB 2556 is a good first step in allowing this to happen.

Education and workforce development is critical to economic development in the state of Kansas. I applaud the legislature for recognizing this, but if the Kansas is serious about doing something about it, a major investment is needed in the technical education and training system. Without adequate funding, efforts by this newly proposed authority and other stakeholders, such as those from industry, will fall far short of what is needed to keep Kansas competitive with other states when competing for new businesses and jobs.

The benefits of technical education should not be ignored, both for the opportunities it creates for the citizens of Kansas and for our state's ability to grow economically. Again, for Kansas to be successful, it must have a trained workforce, including technical professions.

In closing, the state of Kansas desperately needs a coordinated, well funded, technical education system that is responsive to the industries that will eventually be providing jobs to the students graduating from these programs. While HB 2556 does not address funding, it will provide much needed coordination and responsiveness.

**The AGC of Kansas respectfully requests that you recommend HB 2556 for passage.** Thank you for your consideration.

*Senate Ways and Means  
3-23-07  
Attachment 5*



## KANSAS ASSOCIATION OF COMMUNITY COLLEGE TRUSTEES

700 SW Jackson, Suite 1000 • Topeka, KS 66603-3757 • Phone: 785-357-5156 • Fax: 785-357-5157  
Sheila Frahm, Executive Director • E-mail: frahm@kacct.org • Website: www.kacct.org

### Senate Ways and Means Committee

March 23, 2007

TO: Chairman Umbarger and members of the Committee:  
From: Sheila Frahm, Executive Director, KACCT – 11 years

Thank you for the opportunity to provide the insights and concerns from our 19 community colleges regarding HB 2556. My task is to review the what, how and why -- -- I appear today in opposition to portions of HB 2556.

It's important to note first of all, & it's one thing I hope that we all agree upon, the Kansas Technical College and Vocation School Commission's presence has helped considerably to raise the understanding for more Workforce Training to meet the needs of students, future employees and business and industry. Community Colleges take their responsibility for providing technical education very seriously—this is not the reason community colleges were established originally and no one assigned this training to our schools; rather we responded to the needs of our communities and service areas (note map). During the interim and well into the 2007 session, the Commission was dedicated and worked very hard – such volunteers are to be recognized and valued. They had a huge learning curve as they tried to understand the workforce training system that has developed in Kansas. We – presidents, college technical leadership and KACCT staff – attended all meetings and participated as we could.

The Kansas Technical College and Vocational School Commission was created by proviso at the end of the 2006 session. At that time, I was asked by legislative leadership why I was “concerned” about the commission. I indicated that the Community Colleges supplied a significant portion of the vocational/technical education for the state, and much of this training was paid for/subsidized by local property taxes in 18 counties. (In fact, the Commission learned community colleges provide 77 % of the current workforce training.) And further, if there were going to be discussions regarding these issues we would want/need to be at the table—hindsight being always better, we should have requested an amendment last year to insure representation on the Commission and changed the name to include all providers -- (if you could amend a proviso!). I.E. The Kansas Community College, Technical College and Vocational School Commission. However, I was assured it would “all be fine”. I don't think anyone really visualized this whole thing would “take on a life of its own”.

Senate Ways and Means  
3-23-07  
Attachment 6

I would like to share several documents as background for the committee and emphasize a requested amendment to HB 2556. 1) Note page 5 of KBOR briefing document. 2) Funding example – ID CC 2006 Vocational and Academic programming and funding and 3) equalization for the vocational funding (mil levy and sources of funding available).

As proponents of SB 345 in 1999, we moved with some trepidation and hesitation to form the higher education family and began to experience the “coordination of all higher education” with the newly constituted Board of Regents (remember the old KBOR was ABOLISHED.) It’s important to note the role of KBOR for Universities is Governance, while Community Colleges, by statute, have locally elected Boards of Trustees for their Governance. For the past 8 years (In fact, I doubt if many days go by without some communication or interaction with Regents or KBOR staff and certainly at least something has needed attention or communication weekly) we have had a good working relationship with the KBOR, responded to the need to provide many briefings to assure understanding of community colleges and have learned to seek compromise & overcome hurdles as all higher education has worked together to assure seamless educational opportunities for our students. Those who indicate concerns about KBOR’s understanding of the importance of Work Force Training have not had an opportunity to observe and work with the KBOR or have not heard the plans and dreams for the future of Kansas from Chairman Nelson Galle and Vice Chair, former Senator and c-author of SB 345, Christine Downey Schmidt. I believe we have passed through many of the initial growing pains and as a result Kansas has in place an excellent system for “Coordination of Higher Education”.

Reflections regarding the Kansas Technical College and Vocational School Commission’s recommendations regarding (executive summary v):

**MISSION:** The mission statement is excellent as it identifies focus on the needs of students, preparing an educated workforce, being responsive to B & I, and providing quality technical training within a totally integrated educational opportunity.

**FUNDING:** Earlier this week, Dr. Ed Berger, Hutchinson Community College President, who served on a sub-committee to help develop the Commission’s funding recommendation, indicated our support of these proposals. When SGF or EDIF funding is made available, this will assure specific funds for all institutions providing technical education, and at the same time, the largest funding emphasis is on developing new or enlarging current technical education programs in six critical targeted industries: aviation, advanced manufacture, communication, health care, energy and biosciences. This is the first step in moving toward a much great emphasis on Work Force Training.

**GOVERNANCE:** Each time the Commission discussed Governance they were reminded that governance is the role of our local boards and not a newly created “authority” (or even the KBOR). Many joint and individual efforts were undertaken to find a solution to help assure the best structure for the future of workforce training. The recommendations I’ll bring to your attention were presented repeatedly to the Commission and again noted as an alternative to the House Education Committee.

Initially, & prior to the Attorney General’s review of the Constitutional question, the Commission indicated their preference and intent to form a separate board which would have moved Technical Education away for the ongoing higher education coordination. We did not support the separate board. It was an additional layer of bureaucracy and would have required dual reporting for community colleges for our academic and vocational programs. Ultimately final Commission discussion developed the recommendation of HB 2556.

We oppose the final recommendation of an newly created authority with an executive director. (ID concerns)

**Why Kansas community colleges do not endorse this legislation as currently written...**

- It creates an inefficient, fractured organizational structure along side the Board of Regents that could easily take on a life of its own
- It sets up potential conflict for the Board of Regents with an executive director hired by and reporting to both the CEO of the Board of Regents and the Technical Authority
- It discourages efforts to promote seamlessness in postsecondary education and efficiencies become more difficult when community colleges must be accountable to both the Technical Authority (and Executive Director) and the Board of Regents (and CEO)
- The requirement for a negative vote to override decisions made by the Technical Authority when they are presented to the Regents is unnecessary – Regents through their appointment are expected to support all postsecondary education
- Setting up a “board within a board” would be costly and ultimately takes away dollars for the very students technical education is hoping to encourage

We recommend and ask for your consideration for an amendment that would create a VP of Workforce Training, a focused advisory council to advise the Board of Regents and a require a reporting mechanism back to the legislature to assure the ongoing success of workforce training for the future of the State of Kansas (ID benefits)

**Why Kansas community colleges support amendment to HB 2556....**

- It utilizes the existing Board of Regents organizational structure and adds a strong position specifically for Post Secondary Technical Education --- a Vice President for Workforce Development, and would further facilitate seamless articulation and coordination between all public postsecondary institutions
- It calls for an advisory council on workforce training to offer industry specific expertise, guidance and encouragement for workforce training to better meet the needs for economic growth specific to Kansas
- By using an advisory council rather than an authority, it does not dilute lines of authority between the postsecondary schools, Board of Regents and the Kansas legislature
- It keeps the lines of authority more manageable; and, most likely, less costly and would not pit workforce education against traditional academic education
- It assures the legislature the oversight necessary to help secure funding both for dedicated technical staff and programming as we initiate a more proactive system of workforce training in Kansas

**And the most important point**

**Neither plan will succeed without adequate funding. We believe the amendment provides an efficient alternative to the original bill while making the system accountable for the dollars spent.**

Rather than regretting what hasn't been done and creating a new layer of unnecessary structure, we encourage the legislature to EMPOWER the Kansas Board of Regents to provide direction and focus needed to promote this area of higher education. Finally, I think we all agree, the legislature has not, but can, and we think should, make workforce training a focus for Kansas, and provide the funding necessary to assure qualified staff and support personnel at the Board of Regents along with program funding to assure future successes for Kansas. Further Kansas Community Colleges will continue to provide and grow the necessary workforce training needed, be responsive to legislative initiatives and work cooperatively with our sister institutions.



# KANSAS BOARD OF REGENTS

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## Senate Task Force on Higher Education

January 31, 2007

Blake Flanders, Ph.D., Director of Career and Technical Education

### Historical Background on Technical Schools and Technical Colleges:

1963 Congress enacted legislation (Vocational Education Act of 1963) allowing states to create a system of area vocational-technical schools. In 1964 Kansas passed legislation giving local entities the opportunity to establish area vocational-technical schools. At that time, Career and Technical Education (CTE) was under the supervision of the Kansas State Board of Education. The law provided for two types of administrative organization.

Type 1: Governed by local USD Board or CC Board

Type 2: Governed by Board of Control, comprised of representatives from surrounding USD Boards

1968 16 area vocational-technical schools were in operation. Listed below were the schools in existence in 1985.

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

<sup>a</sup>Liberal AVTS is now Southwest Kansas Area Technical School.

Senate Ways and Means  
 3-23-07  
 Attachment 7

### Post 1985

Since 1985 four successful mergers between Community Colleges and Area Vocational-Technical Schools have occurred. Listed below are the Area Vocational-Technical Schools that have merged and are now governed by a Community College Board of Trustees.

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

### 1994—Emergence of Technical Colleges

Legislation (K.S.A. 72-4468) was enacted permitting area vocational schools or area vocational-technical schools to be converted to and established as technical colleges.

### 1995 to 2001

Six technical schools transitioned to technical colleges with the ability to award associate of applied science degrees. The technical colleges are listed below:

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

It is important to note that not all technical institutions chose to convert to technical college status. These transitions divided sector into three separate types of institutions:

- technical schools
- technical colleges
- area technical schools governed by trustees of the community colleges

The technical colleges began pursuing higher education status, while the technical schools continued to operate and function as they had in the past.

### 1999—Kansas Board of Regents (KBOR) Supervision (Enactment of SB 345)

On July 1, 1999, supervision and coordination of technical colleges, area vocational schools and area vocational-technical schools was transferred from the State Board of Education to the Kansas Board of Regents (K.S.A. 74-32,141).

### 2002—KBOR Policy Requiring HLC/NCA Accreditation

The Kansas Board of Regents passed a policy requiring all Kansas public degree-granting institutions to be accredited through the Higher Learning Commission of the North Central Association of Colleges and Schools. This accreditation process required significant changes in governance and culture of the technical colleges.

### 2003—Legislature adopts SB 7

To enable the institutions to become accredited, the Board of Regents supported legislation requiring technical colleges to develop and present to the Board of Regents a plan to replace the existing governing board with a new governing board, separate and independent of any board of education of any school

district, to operate, control and manage the technical college. This legislation solved two barriers to accreditation by:

- allowing the technical college President to report directly to the institution's governing board and not to a school superintendent
- creating a board of governance with a sole focus on the postsecondary institution

All technical colleges submitted transition plans with the exception of Northeast Kansas Technical College.

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

### Current Status

- Five colleges have some form of independent governance. Two colleges accredited by HLC/NCA. Three colleges moving toward HLC/NCA accreditation.
- One college with no movement toward independent governance and no intention of pursuing HLC/NCA accreditation.
- Six technical institutions that are run as components of community colleges.
- Four technical schools still governed by local USD Boards.

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

\*College Board has expanded role as Sedgwick County Technical Education and Training Authority

### General Funding Sources

Technical education in Kansas is financed with public (federal, state, local taxes) and private funding (student tuition & fees; fees for contracted services). The myriad of funding streams have developed over time as technical education has evolved, including:

- State Postsecondary Aid
- State Capital Outlay
- State Community College Operating Grant and Out-district Tuition Offset



- Federal Carl Perkins Funds
- Local mil levies
- Student tuition and fees
- Grants and contracts with public and private entities

### State Funding

All state funding is subject to appropriation by the Legislature. In FY 2007, the Legislature approved \$782.5 million from the State General Fund in FY 2007 for all postsecondary education. This state financial support is provided to six state universities; 19 community colleges; 10 technical schools and colleges; and Washburn University. The State's specific financial commitment to postsecondary technical education comes through three primary SGF line items: State Postsecondary Aid; State Capital Outlay; and Community College Operating Grant. Note: The focus of this paper is technical education provided by two-year institutions so expenditures for technical education within the university sector are not considered here.

All funding appropriated to Postsecondary Aid and Capital Outlay (\$34.9 million) and a portion of the Community College Operating Grant (est. \$30.7 million) is expended for technical education, for a total of \$65.6 million. Community college enrollment data from FY 2006 indicates that 30 percent of community college credit hours are vocational credit hours and 70 percent are academic credit hours. If one assumes that enrollments mirror spending, \$30.7 million of the \$102.5 million appropriated to community colleges through the Community College Operating Grant support vocational-technical credit hours. Adding these three expenditures together, total state spending for postsecondary technical education in FY 2007, is estimated to be \$65.6 million or eight percent of the total SGF spending for postsecondary education.

### Student tuition and fees

In 2002, the Legislature eliminated the statutory cap on student tuition when it decoupled tuition from the Postsecondary Aid formula, known as the 85/15 formula. This formula required that tuition make up no more than 15% of the total funding requiring that 85% of funding come from the Postsecondary Aid line item. K.S.A. 72-4433 allows institutions to charge differential rates of tuition by program, fixed by each local board and subject to approval of the Kansas Board of Regents. Thus, in June of each year, the Board of Regents approves tuition and fees rates for the technical schools and colleges for the upcoming fiscal year.

There is a wide variation in the cost of attendance across the technical institutions. Of the 16 institutions that submitted tuition and fee schedules for the Board of Regents' approval, eight charged by clock hour and 7 charged by credit hour. In-state clock hour tuition ranged from \$1.45 per clock hour at Hutchinson Community College to \$3.30-\$6.60 at Wichita Area Technical College. In-state tuition charged on a credit hour basis ranged from \$35 per credit hour at Dodge City Community College to \$85 per hour at Flint Hills Technical College. Program fees, likewise, vary widely among the institutions. Attachment A is the Tuition and Fees Schedules for the Technical Schools and Colleges. Tuition and fees for the Community Colleges are set by their local boards.

### Federal Funds

Carl D. Perkins Career and Technical Education Funds provide a federal source of funding to support initiatives and improve career and technical education. New federal legislation was approved this year reauthorizing the program. Kansas receives approximately \$12.6 million per year, of which the Board of Regents administers approximately \$6.8 million. The balance is administered by the State Department of Education. Eighty-five percent of \$6.8 million must be distributed to local education agencies, 10 percent must be used to fund state leadership activities; and five percent maybe used for administration. All federal funds expended on administration must be matched on a dollar-for-dollar basis by state funds.

### State Funding and Allocation Methodologies

Technical education is delivered by 29 two-year institutions; however, the source of state funding for that education varies from institution to institution depending on an institution's structure as well as its history. The following table and accompanying explanation illustrate the complexity of state funding for technical education.

Today the 10 Technical Schools and Colleges noted in columns 1 and 2 receive funding through the Postsecondary Aid and Capital Outlay line items. They have no local taxing authority and are primarily dependent upon state appropriations and student tuition. Column 3 lists the two Community Colleges with combined technical schools. They receive funding for technical programs through the Community College Operating Grant. Three of the community colleges in column 4 that merged with technical schools (Johnson County Community College, Hutchinson County Community College, and Coffeyville Community College) receive Postsecondary Aid for technical programs, while Dodge City Community College operates its technical programs as credit hour programs, and accordingly receives funding through the Community College Operating Grant. Similar to Dodge City Community College, the colleges in column 5 receive funding for technical education through the Community College Operating Grant.

1	2	3	4	5
Technical Schools	Technical Colleges	Combined CC/ AVTS	Technical Schools Merged with CC	Community Colleges
Kansas City ATS	NW Ks TC	Cowley County CC/AVTS	Central Kansas AVTS merged with Hutchinson CC	Allen County CC
Kaw ATS	NC Ks TC	Pratt CC/AVTS	Southeast Kansas AVTS merged with Coffeyville CC	Barton County CC
SW Ks ATS	Flint Hills TC		Johnson County AVTS merged with Johnson County CC	Butler County CC
Salina ATS	Manhattan Area TC		Southwest AVTS merged with Dodge City CC	Cloud County CC
	NE Ks TC			Colby CC
	Wichita Area TC			Fort Scott CC
				Garden City CC
				Highland CC
				Independence CC
				Kansas City Ks CC
				Labette CC
				Neosho County CC
				Seward County CC

In summary, the technical institutions receive both Postsecondary Aid and Capital Outlay. Some community colleges also receive Capital Outlay. (All 16 institutions listed in columns 1-4 receive funding from the Capital Outlay line item.) Whether a community college receives funding for its technical programs through Postsecondary Aid or through the Community College Operating Grant is a function of history and decisions that were made at the point in time the institution started delivering technical education. The other 13 community colleges receive funding for technical programs through the Community College Operating Grant.

State Postsecondary Aid and Its Allocation

The table below summarizes five years of Postsecondary Aid expenditures from the State General Fund and the Economic Development Initiatives Fund (EDIF).

Fund	FY 2003 - After Allotments	FY 2004	FY 2005	FY 2006	FY 2007
SGF	\$19,486,488	\$15,299,515	\$19,673,603	\$20,673,603	\$25,408,603
EDIF	\$6,144,277	\$10,331,250	\$6,957,162	\$6,957,162	\$6,957,162
<b>TOTAL</b>	<b>\$25,630,765</b>	<b>\$25,630,765</b>	<b>\$26,630,765</b>	<b>\$27,630,765</b>	<b>\$32,365,765</b>

The Board of Regents is statutorily charged with computing the allocation of Postsecondary Aid to the appropriate postsecondary institutions. The distribution of Postsecondary Aid is made from appropriations with 50 percent of the estimated amount distributed August 1 and the remainder January 1.

The Postsecondary Aid statute directs that "every school shall be entitled to receive postsecondary aid each school year in an amount equal to... 85% of the product of local cost per enrollment hour and total postsecondary enrollment." K.S.A. 72-4431(b). Within this framework, the Board has used three approaches for allocation in recent years: the 85% entitlement formula; block grants; and a three-year rolling average of enrollment. Each method is described below, including an explanation of why the method was rejected for the subsequent approach.

*The 85% Entitlement Formula.* From FY 2000-FY 2004, the "85% of the product" was calculated by taking an institution's approved operating budget and dividing by the total number of instructional hours delivered to all students to ascertain the cost per enrollment hour. This figure was then multiplied by the number of hours of instruction for postsecondary students only, and institutions were entitled to receive 85% of the resulting amount.

In many years, the state appropriations were insufficient to fund the actual entitlement amounts for these institutions. For example, in FY 2002 the 13 school or 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 under funded by \$1.6 million. The Postsecondary Aid statute anticipated this situation by providing that if the amount appropriated were insufficient to pay the amount each school was entitled to receive as postsecondary aid as computed by the Board, then the entire amount remaining would be prorated among all institutions in proportion to the amount each institution is entitled to receive. K.S.A. 72-4432. As a result, appropriated funds were disbursed to the institutions based on their pro-rata share of the total entitlement.

Nevertheless, it became apparent that the 85% entitlement funding mechanism failed to recognize institutions' changes in enrollment. The following funding scenarios illustrate this problem.

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

**Formula:**

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

**Examples:**

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

FY 00       $\frac{\$3,000,000 \text{ app'd budget}}{500,000 \text{ total hours}} = \$6.00 \text{ per clock hour}$   
  
 $\$6.00 \text{ per hr} \times 490,000 \text{ PS hrs} = \$2,940,000 \times .85 = \$2,499,000 \text{ Postsecondary Aid Entitlement}$

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

FY 01       $\frac{\$3,000,000 \text{ app'd budget}}{1,000,000 \text{ total hours}} = \$3.00 \text{ per clock hour}$   
  
 $\$3.00 \text{ per hr} \times 980,000 \text{ PS hrs} = \$2,940,000 \times .85 = \$2,499,000 \text{ Postsecondary Aid Entitlement}$

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

FY 02       $\frac{\$3,000,000 \text{ app'd budget}}{300,000 \text{ total hours}} = \$10.00 \text{ per clock hour}$   
  
 $\$10.00 \text{ per hr} \times 300,000 \text{ PS hrs} = \$3,000,000 \times .85 = \$2,550,000 \text{ Postsecondary Aid Entitlement}$

*The Block Grant Method.* Beginning in FY 2005, a block grant approach was used to allocate Postsecondary Aid. The amount allocated in FY 2005 was incremented by the appropriated increase and pro-rated based on FY 2004's distribution of Postsecondary Aid. The same block grant approach was used to allocate funding in FY 2006.

*The Three-Year Rolling Average of Enrollment.* Discussions were ongoing about the allocation of Postsecondary Aid and the need to make the funding align with the hours taught. During Fall 2005, discussions came to a head and the Association of Technical Schools and Colleges came to the Board with a proposal to change the allocation

methodology to better align funding with hours taught and correct inequities that had evolved over time. The Board, in consultation with the Association, approved a short-term strategy to make the needed corrections over three years.

For FY 2007, the Board allocated funds based on a validated number of postsecondary clock hours of instruction generated from approved courses. This new formula uses a three-year rolling average of enrollment to calculate a base-line. The rolling average will allow one third of the correction needed to correct inequities in each of the next three years. The 2006 Legislature required that institutions be "held harmless" so any adjustments will be made with new funding.

It is important to note that beginning July 1, 2006, technical schools and colleges will be required to report enrollment in credit hours and over the course of the three years the funding mechanism will be converted from clock hours to credit hours to further improve equitable treatment among the institutions.

#### Community College Operating Grant and Its Allocation

The Higher Education Coordination Act of 1999 transferred supervision of the community colleges, technical schools and colleges, and other aspects of postsecondary education from the State Board of Education to the Kansas Board of Regents and established a new community college funding mechanism.

The new funding mechanism for community colleges, which was further modified by the 2000 Legislature, was implemented in FY 2001. Beginning that year, community college funding was on the basis of operating grants equal to 50 percent of the appropriation from the State General Fund for a FTE lower-division student at the regional state universities (Emporia, Fort Hays, and Pittsburg). The grant was calculated based on total enrollment for all community colleges and then allocated to each institution based on its percentage of the prior year's funding. The community college funding mechanisms existing at the time of SB 345 was enacted were abolished and a hold-harmless provision ensured that no community college got less in FY 2001 than in FY 2000. The operating grants were intended to increase by 5 percentage points each year until FY 2004, when the grants were to equal 65 percent of the SGF appropriation per lower division student at the regional state universities. Because of state revenue shortfalls, the four-years phase in took six years to implement. County out-district tuition was to be phased out in even increments over a four-year period beginning in FY 2001 and ending in FY 2004. That schedule also was delayed, with the final year of the phase out not occurring until FY 2006, after which state aid was to replace the revenue lost from out-district tuition and be included in each community college's operating grant.

Another component of the legislation was that, beginning in FY 2001, community colleges had to use at least 80 percent of increased state aid, excluding state aid replacement for out-district tuition and certain other adjustments, for property tax relief. (Source: KLRD Memo, August 18, 2006).

#### State Capital Outlay Aid and Its Allocation

Kansas statutes provide that the technical schools or colleges may receive capital outlay aid for facilities improvements and equipment. K.S.A. 72-4440 through 72-4443. These funds maybe used for making "bricks and mortar" improvements. The purpose of these funds is described as "construction, reconstruction, repair, remodeling, additions to, furnishings, and equipping...and architectural expenses." The total amounts of State Capital Aid for the past several fiscal years are listed in the following table.

### State Capital Outlay Aid

Fund	FY 2003 - After Allotments	FY 2004	FY 2005	FY 2006	FY 2007
SGF					
EDIF	\$2,565,000	\$2,565,000	\$2,565,000	\$2,565,000	\$2,565,000
<b>TOTAL</b>	<b>\$2,565,000</b>	<b>\$2,565,000</b>	<b>\$2,565,000</b>	<b>\$2,565,000</b>	<b>\$2,565,000</b>

Under current practice, the funds are allocated to the institutions offering technical education on the basis of \$100,000 per institution, with the balance of the appropriation allocated based on clock hour production. Furthermore, by practice the institution must certify a 50% institutional match to receive the state capital outlay aid and funds are to be expended or encumbered within the state fiscal year.

#### Impact of Performance Agreements on New Funding

In 2002, K.S.A. 74-3202d was enacted establishing a performance agreement process to be administered by the Kansas Board of Regents for all Kansas public postsecondary education institutions. This enactment added an additional requirement to the distribution of state funding for technical education. The law provides that the Board determines the amount of *new* state funds to be distributed to each postsecondary educational institution, taking into account the postsecondary institution's level of compliance with its performance agreement and the new funds available for distribution.

For example, at the November 2006 Board meeting, performance agreements for each institution were approved. Any new funding appropriated for FY 2008 will be dependent upon the institutions compliance with its performance agreement. Because the distribution of new funds is subject to the institution's performance agreement pursuant to the statutory performance agreement process, the Board approves the allocation of Postsecondary Aid in May.

Three key points regarding funding and the performance agreements are:

- An institution's compliance with performance agreements impacts **new** state funding only
- Any portion not allocated to an institution is deemed to be part of the institution's base budget for the purpose of determining the follow fiscal year's allocation. An institution is precluded from permanently losing state funding due to non-compliance with its performance agreement. In other words, the intended effect of this provision is that such loss of funds is for **only one fiscal year**.
- Any portion not allocated to an institution in the fiscal year shall not be reallocated to any other institution.

The impact of these statutory provisions can be illustrated with the following example. For FY 2007, Salina Area Technical School did not submit a performance agreement; therefore, it will not receive the increased funding of \$381,319 in the current year; however, the increase will be restored to their base in FY 2008. Board staff is reviewing various options related to the unexpended one-time funding including: returning the funds to the state; using the funds for a technical education marketing campaign, suggested by the Kansas Association of Technical Schools and Colleges; or transferring funds to appropriate student scholarship programs.

### **Current Level of State Funding for Technical Education by Type of Institution**

The table on the next page summarizes state funding by technical schools; technical colleges; merged community colleges and technical schools and community colleges.

For the four technical schools, FY2007 funding totals for Postsecondary Aid and Capital Outlay are \$10.1 million. In FY 2005, the combined enrollments for the four existing technical schools comprised approximately 8% of the career and technical education students served by two-year institutions in the system.

For the six technical colleges, FY2007 funding totals for Postsecondary Aid and Capital Outlay total \$20.4 million. In FY 2005, the combined enrollments of the six technical colleges comprised approximately 15% of the career and technical education students served by two-year institutions in the system.

For the technical schools combined and merged with community colleges, FY 07 funding totals for Postsecondary Aid and Capital Outlay total \$4.5 million

For the Community Colleges offering technical education funded through the Community College Operating Grant and Out-district Tuition Offset, FY 2007 funding totals an estimated \$30.7 million.

In FY 2005, 77 percent of the career and technical education students served by two-year institutions are served by the 19 community colleges.

Kansas Board of Regents  
 Technical Schools & Colleges and Community Colleges  
 FY 2007 Current State Funding for Technical Education

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

\* Receive funding for technical education from the Community College Operating grant.

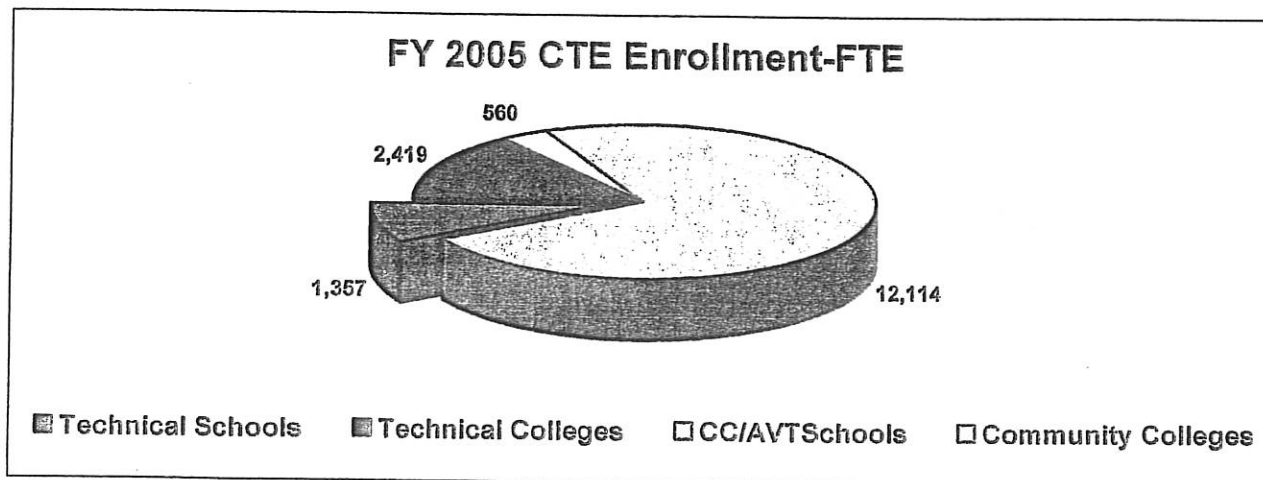
\*\* Estimate of spending for technical education assuming enrollments approximate expenditures. (30% of community college credit hours are vocational credit hours)



### Other Issues

In FY2005, four technical schools had combined enrollments of 1357 FTE\* or 8% of career and technical education students served by two-year institutions in the system (Figure 1). These enrollments are slightly less than the enrollment of Garden City Community College (1420 FTE).

Figure 1



\*900 clock hours = 1 Technical Institution FTE

Currently, six technical colleges serve 2,419 FTE or 14.7% of career and technical education students served by two-year institutions in the system (Figure 2). These combined enrollments are about 15% less than the enrollment at Hutchinson Community College (2867 FTE).

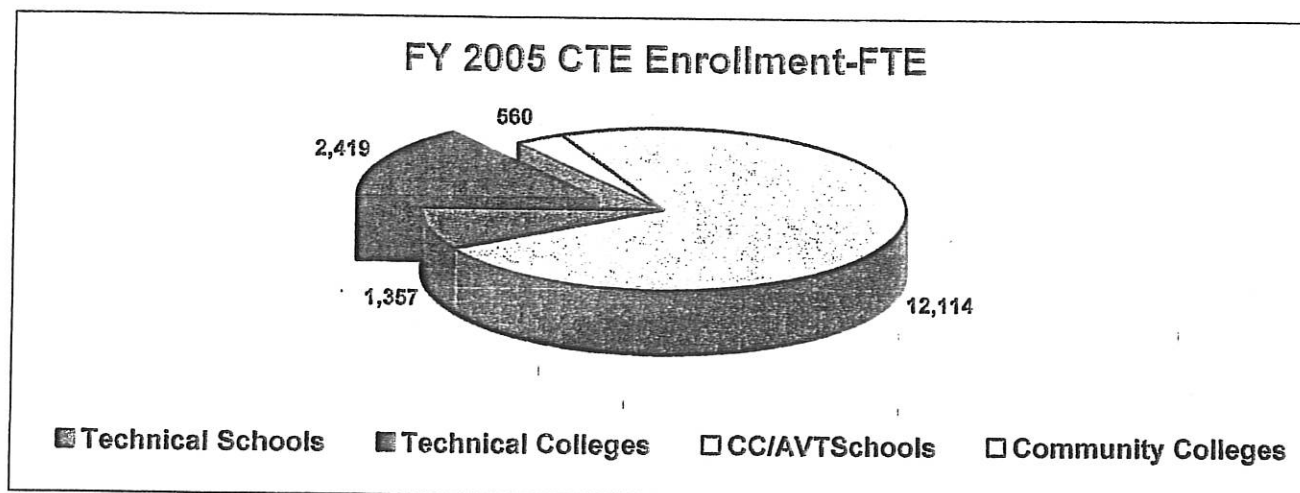


Figure 2

The amount of funding and the funding formula have not encouraged growth of the sector. However, other issues continue to hamper the efficiency, effectiveness, and/or capacity of the current system. These issues may include:

### Program Variation

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

### Funding Inequity

Currently technical colleges have limited sources for funding. Past funding models ignored the change in outputs among the institutions. In addition, three merged institutions do not have access to the postsecondary aid formula. These institutions include Cowley County CC/AVTS, Dodge City CC/AVTS, and Pratt CC/AVTS. This exclusion is based on past decisions of institutional Presidents/Boards and adds further confusion to the system.

### Facilities

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

### Business Engagement

The governance and funding of technical colleges and schools may also have hampered the ability for institutions to establish business partnership. In a recent audit of workforce development presented by the Legislative Division of Post Audit (September, 2006), the total number of business partnerships and participants are as follows:

Technical Schools and Colleges			
School	Location	Business Partnerships	Participants
Northwest Kansas Technical College	Goodland	0	0
North Central Kansas Technical College	Beloit	1	20
Flint Hills Technical College	Emporia	8	82
Manhattan Area Technical College	Manhattan	4	227
Wichita Area Technical College	Wichita	12*	665
Northeast Kansas Technical College	Atchison	5	458
Kansas City Area Technical School	Kansas City	8	n/a
Southwest Kansas Technical School	Liberal	0	0
Kaw Area Technical School	Topeka	1	16
Salina Area Technical School	Salina	13	320
<b>Total</b>		<b>64</b>	<b>1788</b>

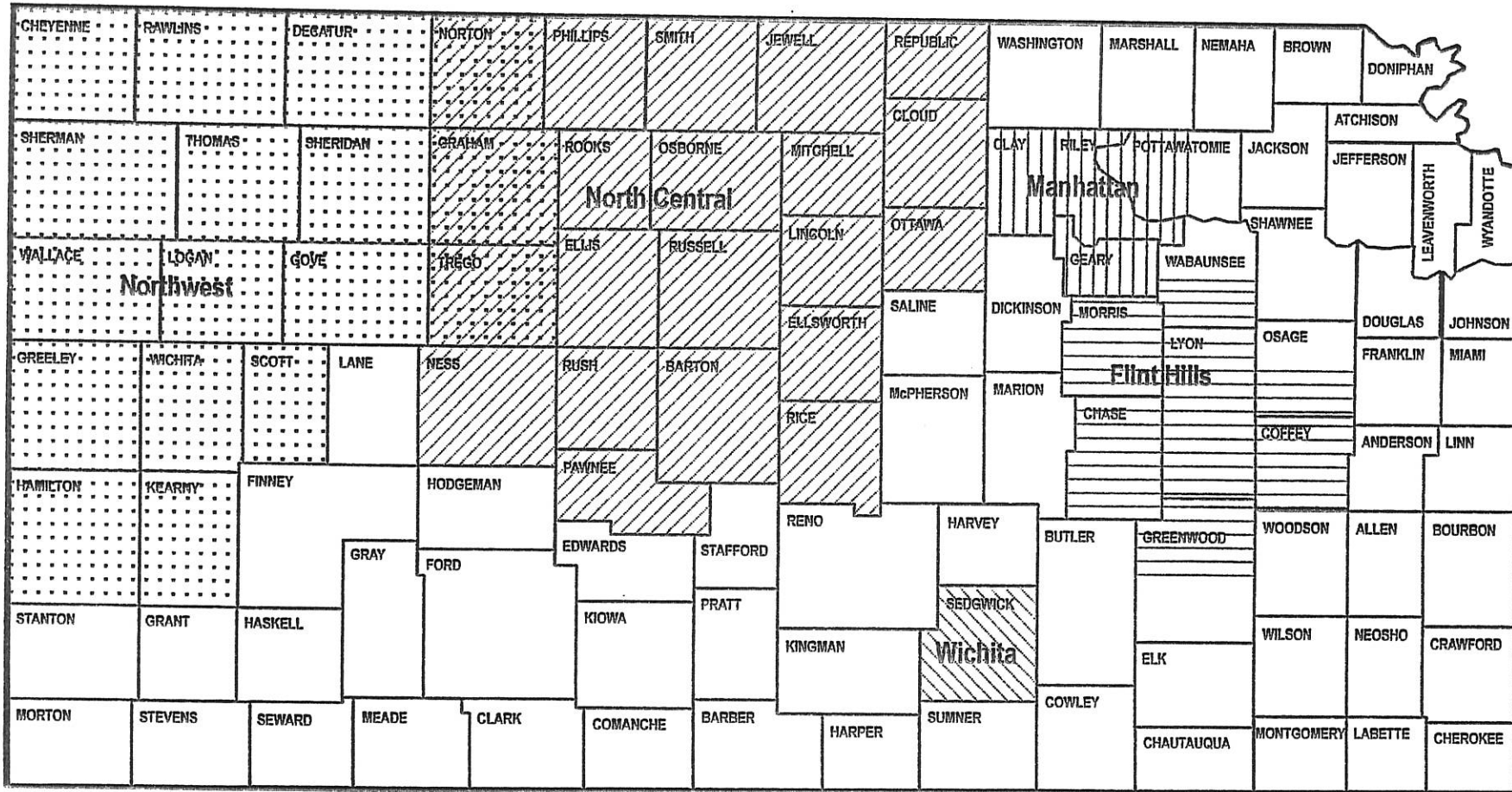
\*one partnership listed as "various"

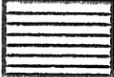

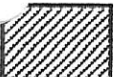
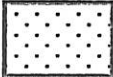

<b>Merged Institutions</b>			
<b>School</b>	<b>Location</b>	<b>Business Partnerships</b>	<b>Participants</b>
Johnson County CC/AVTS	Overland Park	86	7591
Coffeyville CC/AVTS	Coffeyville	4	467
Dodge City CC/AVTS	Dodge City	5	302
Hutchinson CC/AVTS	Hutchinson	355	9327
Cowley County CC/AVTS	Arkansas City	1	387
Pratt CC/AVTS	Pratt	3	29
<b>Total</b>		<b>454</b>	<b>18103</b>

**Kansas Board of Regents Recommendation**

The Board of Regents at its October, 2006, meeting voted unanimously to merge or affiliate technical schools and colleges with a community college or university over a three to five year transition period.

# Technical Colleges Territories



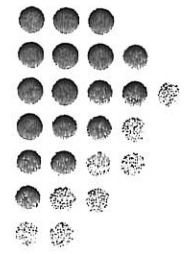
-  **Flint Hills Technical College**  
Emporia
-  **Manhattan Area Technical College**  
Manhattan
-  **North Central Kansas Technical College**  
Beloit
-  **Northwest Kansas Technical College**  
Goodland
-  **Wichita Area Technical College**  
Wichita

# KANSAS ASSOCIATION OF COMMUNITY COLLEGE TRUSTEES

## 2006 Local Mill Levy

Final Valuation/Mill Levy's Kansas Community Colleges	Published		Certified		Adult Education	Bond & Interest	Capital Outlay	No Funds Warrants	Special Assessme nt	
	2006/2007 Assessed Valuation	2006/2007 General Mill Levy	2006/2007 Assessed Valuation	2006/2007 General Mill Levy						
Allen County	80,638,673	14.014	84,632,201	13.352			3.334			16.686
Barton County	207,062,854	30.440	206,376,190	30.537						30.537
Butler County	468,074,767	17.500	471,677,198	17.363						17.363
Cloud County	70,427,109	27.750	70,510,266	27.721			3.995			31.716
Coffeyville	107,500,000	37.510	109,588,433	36.798			1.942			38.740
Colby	80,810,297	33.370	80,743,172	33.400						33.400
Cowley County	212,265,903	18.425	210,324,808	18.595						18.595
Dodge City	222,407,249	28.190	223,347,352	28.072	0.249		2.00			30.321
Fort Scott	88,729,048	22.350	88,754,941	22.342						22.342
Garden City	505,327,076	18.290	507,337,233	18.217			0.999			19.216
Highland	66,816,640	14.620	66,816,640	14.620						14.620
Hutchinson	476,062,327	21.780	477,812,976	21.704			1.993			23.697
Independence	5,020,971	38.000	112,315,524	35.651						35.651
Johnson County	7,740,129,805	8.441	7,728,958,492	8.353			0.5		0.019	8.872
Kansas City Kansas	1,164,493,510	18.305	1,169,496,962	18.218			2.026			20.244
Labette	118,989,060	35.140	119,132,871	35.093	0.261					35.354
Neosho County	101,437,832	32.289	101,614,552	32.233	0.082					32.315
Prairie	105,292,378	39.490	110,690,684	39.037			1.951			40.988
Seward County	310,194,133	26.180	312,241,381	26.011						26.011
<b>TOTALS</b>	<b>12,131,679,632.00</b>		<b>12,252,371,876.00</b>	<b>477.32</b>	<b>0.59</b>	<b>0.00</b>	<b>18.74</b>	<b>0.00</b>	<b>0.02</b>	<b>496.67</b>

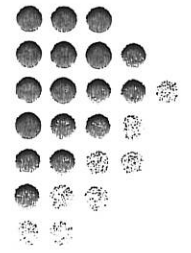
Senate Ways and Means  
3-23-07  
Attachment 8



Kansas Community Colleges - Revenue by Source YE June 30, 2006 - Summary Worksheet

	Student Sources	Federal Sources	State Sources Oper Grant	State Sources Other	County Sources	Local Sources	Other Sources	Total
<b>COLLEGES</b>								
Allen	\$ 2,538,249	\$ 85,884	\$ 3,858,172	\$ 240,020	\$ 215,278	\$ 1,302,847	\$ 489,427	\$ 8,729,877
Barton County	\$ 5,668,897	\$ 49,161	\$ 6,759,712	\$ 174,396	\$ 153,687	\$ 6,242,538	\$ 844,774	\$ 19,893,165
Butler	\$ 13,337,134	\$ 74,679	\$ 12,323,830	\$ 724,067	\$ 756,609	\$ 8,821,563	\$ 2,637,773	\$ 38,675,655
Cloud County	\$ 2,387,637	\$ 10,222	\$ 4,328,001	\$ 204,225	\$ 200,454	\$ 2,128,311	\$ 316,610	\$ 9,575,460
Coffeyville	\$ 2,087,072	\$ 194,257	\$ 1,603,487	\$ 1,058,025	\$ 32,500	\$ 4,795,476	\$ 1,075,314	\$ 10,846,131
Colby	\$ 2,628,792	\$ 72,235	\$ 2,666,537	\$ 233,356	\$ 287,114	\$ 2,857,753	\$ 227,319	\$ 8,973,106
Cowley County	\$ 6,292,546	\$ -	\$ 7,546,988	\$ 1,237,193	\$ 252,345	\$ 4,106,124	\$ 1,186,871	\$ 20,622,067
Dodge City	\$ 1,647,147	\$ 279,655	\$ 2,501,677	\$ 226,316	\$ 60,975	\$ 7,885,959	\$ 316,634	\$ 12,918,363
Fort Scott	\$ 3,686,844	\$ 163,176	\$ 3,029,502	\$ 226,862	\$ 141,279	\$ 2,201,228	\$ 362,423	\$ 9,811,314
Garden City	\$ 2,860,036	\$ -	\$ 2,666,547	\$ 3,454	\$ 81,762	\$ 9,397,557	\$ 722,676	\$ 15,732,032
Highland	\$ 2,869,027	\$ -	\$ 3,905,842	\$ 196,552	\$ 186,594	\$ 1,060,820	\$ 462,114	\$ 8,680,949
Hutchinson	\$ 5,290,465	\$ 399,949	\$ 6,202,113	\$ 1,023,744	\$ 258,738	\$ 11,263,241	\$ 697,529	\$ 25,135,779
Independence	\$ 778,847	\$ 34,784	\$ 1,433,794	\$ -	\$ 596,821	\$ 3,723,533	\$ 75,700	\$ 6,643,479
Johnson	\$ 24,302,395	\$ 468,704	\$ 17,703,231	\$ 5,186,816	\$ 264,924	\$ 67,900,439	\$ 9,674,063	\$ 125,500,572
Kansas City	\$ 6,488,959	\$ -	\$ 5,782,091	\$ 149,740	\$ 267,348	\$ 23,244,415	\$ 503,464	\$ 36,436,017
Labette	\$ 1,569,192	\$ 265,940	\$ 2,462,242	\$ 54,310	\$ 141,623	\$ 4,411,327	\$ 147,949	\$ 9,052,583
Neosho	\$ 2,018,035	\$ 184,454	\$ 2,391,986	\$ 301,726	\$ 99,003	\$ 3,400,120	\$ 138,336	\$ 8,533,660
Pratt	\$ 1,241,290	\$ -	\$ 2,220,876	\$ 98,066	\$ 97,176	\$ 4,218,863	\$ 1,695,889	\$ 9,572,160
Seward County	\$ 1,667,388	\$ 1,670	\$ 1,668,682	\$ 154,273	\$ 54,330	\$ 7,596,455	\$ 327,259	\$ 11,470,057
<b>Totals</b>	<b>\$ 89,359,952</b>	<b>\$ 2,284,770</b>	<b>\$ 91,055,310</b>	<b>\$ 11,493,141</b>	<b>\$ 4,148,560</b>	<b>\$ 176,558,569</b>	<b>\$ 21,902,124</b>	<b>\$ 396,802,426</b>

Note: Federal Sources include only revenues recorded in the Current Unrestricted Fund. Most Federal grants are recorded in Restricted Funds.

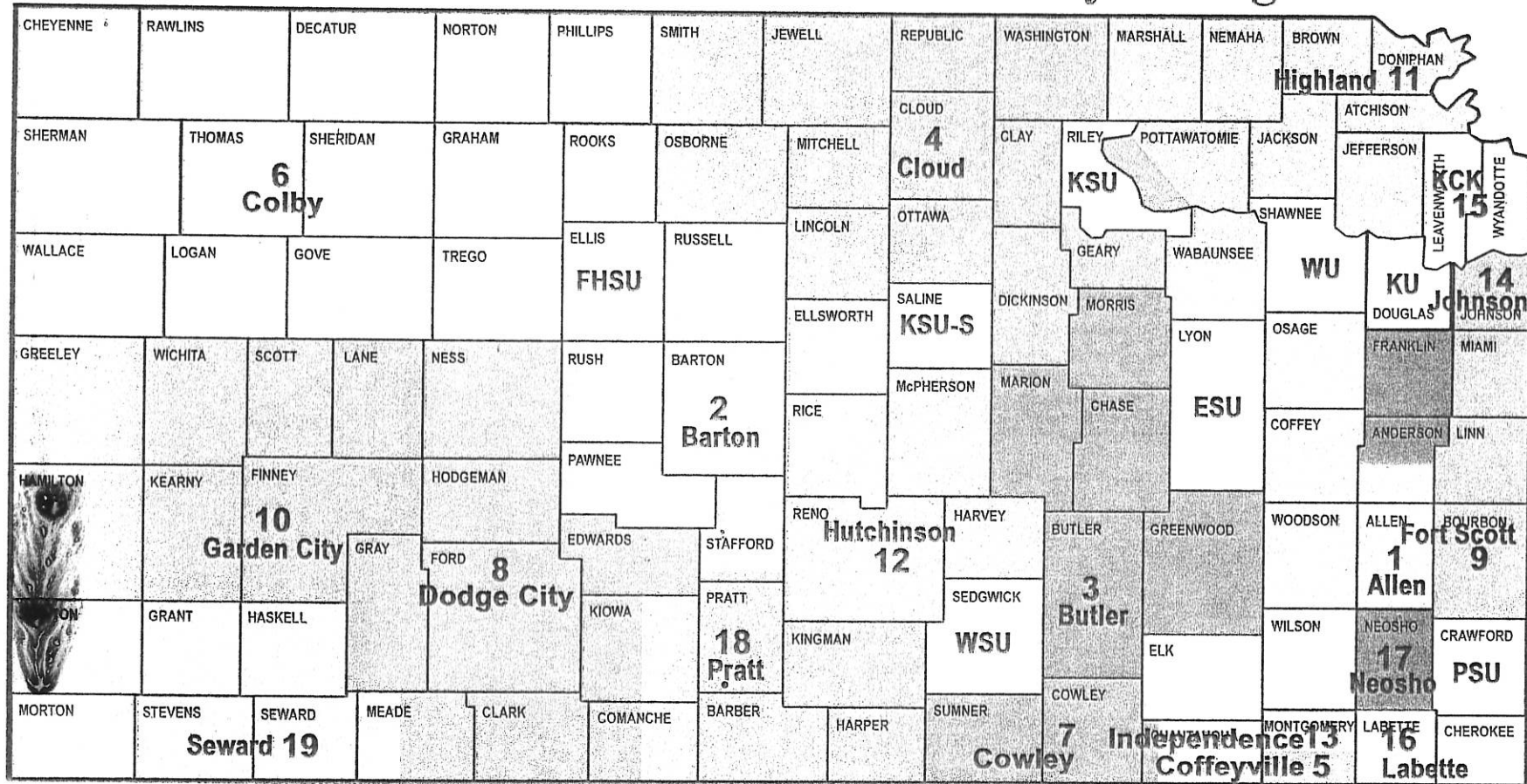


Kansas Community Colleges - Revenue by Source YE June 30, 2006 - Summary Worksheet

	Student Sources	Federal Sources	State Sources Oper Grant	State Sources Other	County Sources	Local Sources	Other Sources	Total
<b>COLLEGES</b>								
Allen	29.1%	1.0%	44.2%	2.7%	2.5%	14.9%	5.6%	100%
Barton County	28.5%	0.2%	34.0%	0.9%	0.8%	31.4%	4.2%	100%
Butler	34.5%	0.2%	31.9%	1.9%	2.0%	22.8%	6.8%	100%
Cloud County	24.9%	0.1%	45.2%	2.1%	2.1%	22.2%	3.3%	100%
Coffeyville	19.2%	1.8%	14.8%	9.8%	0.3%	44.2%	9.9%	100%
Colby	29.3%	0.8%	29.7%	2.6%	3.2%	31.8%	2.5%	100%
Cowley County	30.5%	0.0%	36.6%	6.0%	1.2%	19.9%	5.8%	100%
Dodge City	12.8%	2.2%	19.4%	1.8%	0.5%	61.0%	2.5%	100%
Fort Scott	37.6%	1.7%	30.9%	2.3%	1.4%	22.4%	3.7%	100%
Garden City	18.2%	0.0%	16.9%	0.0%	0.5%	59.7%	4.6%	100%
Highland	33.0%	0.0%	45.0%	2.3%	2.1%	12.2%	5.3%	100%
Hutchinson	20.5%	1.5%	24.0%	4.0%	1.0%	44.8%	2.8%	100%
Independence	11.7%	0.5%	21.6%	0.0%	9.0%	56.0%	1.1%	100%
Johnson	19.4%	0.4%	14.1%	4.1%	0.2%	54.1%	7.7%	100%
Kansas City	17.8%	0.0%	15.9%	0.4%	0.7%	63.8%	1.4%	100%
Labette	17.3%	2.9%	27.2%	0.6%	1.6%	48.7%	1.6%	100%
Neosho	23.6%	2.2%	28.0%	3.5%	1.2%	39.8%	1.6%	100%
Pratt	13.0%	0.0%	23.2%	1.0%	1.0%	44.1%	17.7%	100%
Seward County	14.5%	0.0%	14.5%	1.3%	0.5%	66.2%	2.9%	100%
Totals	22.5%	0.6%	22.9%	2.9%	1.0%	44.5%	5.5%	100%

Note: Federal Sources include only revenues recorded in the Current Unrestricted Fund. Most Federal grants are recorded in Restricted Funds.

# Kansas Community Colleges and Service Areas for Kansas Community Colleges



- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li><input type="checkbox"/> 1. Allen County Community College, Iola</li> <li><input type="checkbox"/> 2. Barton County Community College, Great Bend</li> <li><input type="checkbox"/> 3. Butler County Community College, El Dorado</li> <li><input type="checkbox"/> 4. Cloud County Community College, Concordia</li> <li><input type="checkbox"/> 5. Coffeyville Community College, Coffeyville</li> <li><input type="checkbox"/> 6. Colby Community College, Colby</li> <li><input checked="" type="checkbox"/> 7. Cowley County Community College, Arkansas City</li> <li><input type="checkbox"/> 8. Dodge City Community College, Dodge City</li> <li><input checked="" type="checkbox"/> 9. Fort Scott Community College, Fort Scott</li> <li><input type="checkbox"/> 10. Garden City Community College, Garden City</li> <li><input checked="" type="checkbox"/> 11. Highland Community College, Highland</li> </ul> | <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> 12. Hutchinson Community College, Hutchinson</li> <li><input type="checkbox"/> 13. Independence Community College, Independence</li> <li><input type="checkbox"/> 14. Johnson County Community College Overland Park</li> <li><input type="checkbox"/> 15. Kansas City Kansas Community College, Kansas City</li> <li><input type="checkbox"/> 16. Labelle Community College, Parsons</li> <li><input checked="" type="checkbox"/> 17. Neosho County Community College, Chanute</li> <li><input type="checkbox"/> 18. Pratt Community College, Pratt</li> <li><input type="checkbox"/> 19. Seward County Community College, Liberal</li> </ul> |
|---|---|
- 
- |   |
|---|
| <ul style="list-style-type: none"> <li><input type="checkbox"/> State Universities/Washburn</li> <li><input type="checkbox"/> Unassigned</li> </ul> |
|---|



Kansas Board of Regents																				
Funding Scenario Requested by the KACCT																				
Technical Education Funding																				
FY 2006																				
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
	POSTSECONDARY AID FUNDING			COMMUNITY COLLEGE FUNDING																
Institution	PS FTE (PS Aid)	PS Aid Funding	Funding per FTE (Col 2/Col 1)	Out-District Tuition Off-Set	Operating Grant	Total Out-District Tuition Off-Set & Oper Grant (Col 4+Col 5)	Academic FTE	Vocational FTE	Total FTE (Col 7+Col 8)	% Voc FTE Col 8/Col (9)	weighted Vocational FTE 2:1 (Col 8*2)	2:1 total FTE (Col 7+Col 11)	% 2:1 Voc FTE (Col 11/Col 12)	% CC Funding for Voc (2:1) (Col 6*Col 13)	2:1 Voc Funding per Voc FTE (Col 14/Col 8)	\$7,689 Difference in CC funding & Avg PS Aid funding (Col 16-Col 15)	Amt to bring CC funding to PS Aid level (Col 17-Col 16)	\$7,689 Difference in PS Aid funding & Avg PS Aid (Col 18-Col 17)	Amt to bring PS Aid funding up to Avg (Col 19-Col 18)	Total Additional Funds (Col 17+Col 19)
Allen County				\$111,226	\$3,858,172	\$3,969,398	1,329.6	368.6	1,698.2	21.71%	737.3	2,066.9	35.67%	\$1,415,884	\$3,841	\$3,848	\$1,418,501			\$1,418,501
Barton County				\$129,951	\$6,759,712	\$6,889,663	1,660.4	1,004.3	2,664.6	37.69%	2,008.5	3,668.9	54.74%	\$3,771,402	\$3,755	\$3,934	\$3,950,720			\$3,950,720
Butler County				\$656,128	\$12,323,830	\$12,979,958	3,834.4	1,570.2	5,404.7	29.05%	3,140.5	6,974.9	45.03%	\$5,844,875	\$3,722	\$3,967	\$6,229,116			\$6,229,116
Cloud County				\$204,225	\$4,328,001	\$4,532,226	1,111.8	280.8	1,392.6	20.16%	561.6	1,673.4	33.56%	\$1,521,015	\$5,417	\$2,272	\$637,978			\$637,978
Coffeyville	100.0	\$836,941	\$8,369	\$31,933	\$1,571,554	\$1,603,487	580.2	186.4	766.6	24.32%	372.9	953.0	39.12%	\$627,284	\$3,365	\$4,324	\$806,138			\$738,137
Colby				\$127,124	\$2,773,491	\$2,900,615	643.2	287.1	930.2	30.86%	574.1	1,217.3	47.16%	\$1,367,930	\$4,765	\$2,924	\$839,334			\$839,334
Cowley County				\$400,755	\$7,546,988	\$7,947,743	2,303.0	972.4	3,275.5	29.69%	1,944.8	4,247.9	45.78%	\$3,638,477	\$3,742	\$3,947	\$3,838,129			\$3,838,129
Dodge City				\$53,154	\$2,501,677	\$2,554,831	631.1	372.2	1,003.2	37.10%	744.3	1,375.4	54.12%	\$1,382,675	\$3,715	\$3,974	\$1,478,924			\$1,478,924
Fort Scott				\$134,957	\$3,029,502	\$3,164,459	679.2	597.2	1,276.5	46.79%	1,194.4	1,873.7	63.75%	\$2,017,343	\$3,378	\$4,311	\$2,574,601			\$2,574,601
Garden City				\$74,898	\$2,666,547	\$2,741,445	924.6	378.3	1,303.0	29.04%	756.7	1,681.3	45.00%	\$1,233,650	\$3,261	\$4,428	\$1,675,260			\$1,675,260
Highland				\$196,552	\$3,905,842	\$4,102,394	1,363.4	213.0	1,576.4	13.51%	426.1	1,789.4	23.81%	\$976,780	\$4,585	\$3,104	\$661,255			\$661,255
Hutchinson	150.3	\$990,250	\$6,589	\$232,590	\$6,202,113	\$6,434,703	1,750.4	1,060.9	2,811.3	37.74%	2,121.7	3,872.1	54.79%	\$3,525,574	\$3,323	\$4,366	\$4,631,671	\$1,100	\$165,316	\$4,796,987
Independence				\$33,447	\$1,433,794	\$1,467,241	415.6	126.3	541.9	23.31%	252.6	668.2	37.80%	\$554,617	\$4,391	\$3,298	\$416,537			\$416,537
Johnson County	178.7	\$1,007,945	\$5,640	\$238,789	\$17,703,231	\$17,942,020	7,014.4	2,640.2	9,654.5	27.35%	5,280.3	12,294.7	42.95%	\$7,706,098	\$2,919	\$4,770	\$12,593,595	\$2,049	\$366,152	\$12,959,747
Kansas City				\$149,740	\$5,782,091	\$5,931,831	2,087.1	856.5	2,943.6	29.10%	1,713.0	3,800.1	45.08%	\$2,674,069	\$3,122	\$4,567	\$3,911,636			\$3,911,636
Labette				\$81,237	\$2,462,242	\$2,543,479	514.2	410.3	924.5	44.38%	820.6	1,334.8	61.48%	\$1,563,731	\$3,811	\$3,878	\$1,591,208			\$1,591,208
Neosho County				\$98,416	\$2,391,986	\$2,490,402	740.2	362.1	1,102.3	32.85%	724.2	1,464.4	49.45%	\$1,231,504	\$3,401	\$4,288	\$1,552,685			\$1,552,685
Pratt				\$98,066	\$2,220,876	\$2,318,942	508.7	366.9	875.5	41.90%	733.7	1,242.4	59.06%	\$1,369,567	\$3,733	\$3,956	\$1,451,259			\$1,451,259
Seward County				\$62,173	\$1,668,682	\$1,730,855	509.8	212.0	721.8	29.37%	423.9	933.7	45.40%	\$785,808	\$3,707	\$3,982	\$844,051			\$844,051
Flint Hills TC	276.9	\$1,710,924	\$6,178																	
Kansas City KS ATS	366.3	\$3,036,051	\$8,287																	
Kaw ATS	242.5	\$2,482,261	\$10,235																	
Manhattan ATC	260.5	\$2,117,270	\$8,128																	
North Central KS TC	437.2	\$2,690,256	\$6,154																	
Northeast KS TC	227.2	\$1,077,258	\$4,742																	
Northwest KS TC	319.2	\$1,935,367	\$6,064																	
Salina Area TS	236.4	\$1,672,742	\$7,075																	
Southwest KS TS	254.5	\$1,440,408	\$5,660																	
Wichita Area TC	543.9	\$6,633,092	\$12,195																	
TOTAL/AVG	3,593.6	\$27,630,765	\$7,689	\$3,115,361	\$91,130,331	\$94,245,692	28,601.2	12,265.6	40,866.8	30.01%	24,531.2	53,132.4	46.17%	\$43,208,283	\$3,523	\$4,166	\$51,102,597		\$463,467	\$51,566,064

(680)(468,000)

Senate ways and means  
2-23-07  
Attachment 9



## HIGHLAND COMMUNITY COLLEGE

*First Chartered College in the State of Kansas*

### **Senate Ways and Means Committee March 23, 2007**

Regarding H.B. 2556  
David Reist  
President, Highland Community College  
Chair, Kansas Community College Council of Presidents

Mr. Chairman and Members of the Committee, I am here on behalf of the Kansas Community College Council of Presidents and thank you for the opportunity to be heard. I also want to thank the members of the Technical Education Commission for their time, dedication, and attention to this issue and for the opportunity Kansas Community Colleges were given to be heard in their hearings. President Berger of Hutchinson Community College testified in favor of the funding component in the Technical Commission Briefing before you Wednesday. The 19 community colleges agree with the Technical Commission's report on mission and funding.

However, Kansas Community Colleges support an amendment to HB 2556 because we fully support an emphasis on technical education, and we respect and support the present structure for higher education in Kansas. We are not obstructionist; we're not trying to back-door anyone. We have made our position known all through this process, and feel it is still worth the effort to work for.

Someone testified Wednesday, that the Kansas Board of Regents has too much on their plate already and if the Authority was reduced to an Advisor Board, you would be throwing money at the status quo. I couldn't disagree more. Yes, the Kansas Board of Regents has too much on their plate, but community colleges are not asking for the status quo, we're asking that KBOR be given resources to handle technical education within their existing structure. A Vice President for Workforce Training, an adequate staff, and an advisory board made up of individuals representing various occupational clusters from around the state.

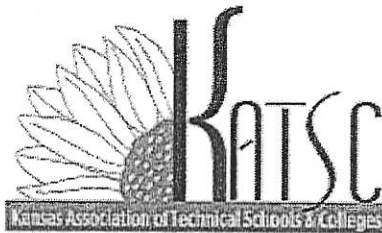
Presently, HB 2556:

- Creates a fractured organizational structure along side the Board of Regents
- Creates a "board within a board"

Community colleges are coordinated by the Kansas Board of Regents and governed by our local boards. HB 2556 creates another entity for us to be coordinated (or governed?) by for technical education.

HB 2556 is an important step for technical education in Kansas. Community Colleges just want to get it right the first time. All 19 community colleges appreciate the hearing on HB 2556 and respectfully request that you consider an amendment to reflect the items we have noted.

Senate Ways and Means  
3-23-07  
Attachment 10



**Senate Ways and Means  
March 21, 2007**

**Written Testimony in Support of HB 2556**

Good Morning Chairman Umbarger and members of the Senate Ways and Means Committee, I am Richard Hoffman, president of the Kansas Association of Technical Schools and Colleges, (KATSC) and director of Kaw Area Technical School (KATS).

As President of KATSC, I am pleased to say we have majority consensus in support of House Bill 2556. KATSC supports the intent of this bill and the need for better advocacy on behalf of technical education. KATSC also appreciates the recognition that technical education is a statewide initiative that deserves coordinated oversight yet allows institutions to remain under local governance to meet local needs.

Others will present testimony about how HB 2556 will affect community colleges and technical colleges so my testimony will focus on how HB 2556 will affect technical schools, specifically KATS.

First, a little history about KATS and how it operates.

KATS is a type one school and, while we can trace our roots back to the end of World War II and the need to train soldiers returning to civilian occupations, our current mission is three fold. Each area has its' own challenges and opportunities.

1. KATS provides secondary students from seventeen school districts with technical training that is cost prohibitive for each district to offer on its' own. KATS has the largest enrollment of secondary students of all the technical schools and colleges. Forty percent of KATS FTE is secondary students. The 40% FTE corresponds with approximately 40% of the total funding KATS receives coming from secondary sources.

Unfortunately, secondary student enrollment has declined because:

- More requirements of general education classes have been added at the participating high schools.
- There are more requirements on the amount of time high school students spend to participate in advanced placement classes only offered one time during the day and extra-curricular activities require enrollment in additional classes.
- Previous budget problems at secondary schools caused cuts to basic exploratory vocational classes.

KATS meets the challenge of enrolling high school students by recruiting those who may not be able to complete a program at KATS while in high school with the hope they will choose to continue at KATS after high school graduation.

**HB 2556 addresses the need to coordinate the development of a seamless system for the delivery of technical education between the secondary-school level and postsecondary-school level.**

Senate Ways and Means  
3-23-07  
Attachment 11

2. KATS provides postsecondary instruction to students seeking entry-level employment. This should be the crown jewel of KATS' mission. However it is not. Previous budget cuts and inequities in the funding formula pitted the various technical institutions and post secondary sectors against each other. In order for one tech school to receive additional funding, another tech institution had to receive less.

Because of impending losses, no program, no matter how viable, was safe from the budget ax. With few exceptions, any employee who left was not replaced. Equipment purchases and needed repairs were deferred until money would hopefully become available. Through the extraordinary efforts of a dedicated staff willing to take on ever increasing responsibilities, we were able to balance the budget.

Then following the recommendation of KATSC, KBOR changed the funding formula. But because there was not direct advocacy at KBOR that could focus on all aspects of what the change in funding would do and the unintended consequences it would cause, KATS ended up being penalized for being efficient. By providing the best education in the shortest time frame, KATS receives less money per graduate than many other technical institutions. Additionally, with the shortest programs in the state, KATS can not take time away from technical instruction without adding additional classes. Yet, if we add these general education classes, it will put us in direct competition with Washburn University that already meets this need in the Topeka area.

**The technical education authority authorized by HB 2556 will enable KBOR to have the staff needed to focus on all issues of technical education and all the implications of decisions that need to be made and limit the unintended consequences.**

3. Assist Business and Industry (B&I) clients with specific training for their employees.

One challenge of B&I training currently hit home with the strike by Goodyear. As you may know, KATS has a showcase program providing maintenance training for Goodyear. Students in this program are Goodyear employees paid to attend class and have a 100% placement rate in jobs with pay and benefit packages worth over \$85,000—after just two years of training.

When Goodyear was on strike, no training took place and the facilities remained idle. KATS still had the expenses of overhead on equipment, classrooms and labs without the income.

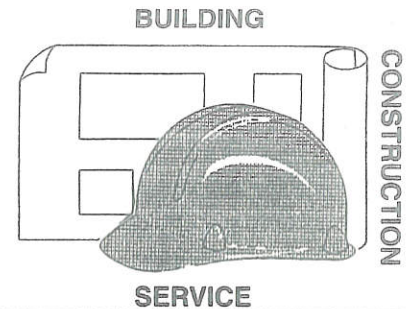
Another challenge is the number of companies that are not as far sighted as Goodyear. While these companies want KATS to provide training, they are not willing to pay for it. These companies expect KATS to be able to provide training with the erroneous thought that the more hours of instruction KATS provides, the more state aid we receive. While the recent change to the postsecondary aid funding formula does provide for redistribution of funding based on hours of instruction, it does not increase the total dollars available.

**HB 2556 will provide assistance to meet the needs of business and industry clients and help Kansas remain competitive by developing strategies and programs focused on leveraging the dollars provided to educate employees of Kansas companies. (i.e., KATS would receive incentives for offering training programs to help companies such as Hill's and Innovia meet the training needs of their employees as well as assist Payless employees in being retrained when Payless closes it's distribution center).**

In conclusion, as director of Kaw Area Technical School, I believe I speak for all technical schools when I say passing HB 2556 will put into place the support needed to give technical institutions governed by USD's the assistance required to make decisions that will meet the needs of as many of your constituents as possible. Specifically, a Technical Authority, created to focus on the issues facing all of technical education, will greatly assist Kaw Area Technical School in deciding the best course of action in choosing the path that will help the majority of its students.



BUILDING MECHANICAL & ELECTRICAL SERVICES



TESTIMONY  
BEFORE SENATE COMMITTEE ON WAYS AND MEANS  
HB 2556  
March 21, 2007  
By Joseph Glassman, Commissioner

- I. Vo-Tech Commission Purpose
  - A. Our Understanding of the Change
    - 1. Kansas Ranking
    - 2. Industry Needs & Requirements
  - B. Delivery of Services
    - 1. Benchmark Basis
    - 2. Outcome Driven by Authority & its Funding Mechanism
    - 3. Must be administered by an Industry/Public represented Board with the authority & advocacy for technical education
  
- II. Return on Investment Theory
  - A. Skilled Personnel in the Workplace
    - 1. Relevance in the locale with placement
    - 2. Investment into Human Resources
      - a. Proactive education of training based upon industry factors
      - b. Filling the void to Industry & demand on society
  - B. Untrained Kansas Workforce
    - 1. Between 50 & 60 thousand individuals last year were untrained in Kansas without proper skills to make a living wage
    - 2. 67% of all Kansas High School graduate students are not college bound 4 year students
    - 3. 90 days to 1 year minimum training turn around to increase the opportunity of these individuals to a higher earning status
    - 4. Almost immediate to current year terms of return to increased state & federal income tax & a greater possibility of sales tax than earned income. Ad valorem taxes may also increase as the proposing of raised income occurs

C. The Curve is Simple

1. Increased Workforce
2. Increase Wages
3. Added occurrence of citizens living & working in their home locale
4. Further possibilities of multi-talent Industry engagement in Kansas

D. The Future Is Now

1. Income Returns on many disciplines are increasing with high demand in this state
2. Cannot wait to increase excellence or educate upon the status quo
3. New areas of study & discipline are on the horizon & will be required to keep up & surprise present Kansas technology in Industry