

MINUTES OF THE SENATE EDUCATION COMMITTEE

The meeting was called to order by Chairman Jean Schodorf at 1:35 p.m. on January 17, 2008, in Room 123-S of the Capitol.

Committee members absent: Anthony Hensley

Committee staff present: Carol Toland, Kansas Legislative Research Department
Theresa Kiernan, Revisor of Statutes Office
Matt Todd, Revisor of Statutes Office
Shirley Higgins, Committee Secretary

Conferees appearing before the committee: Christine Downey-Schmidt, Chair, Kansas Board of Regents
Reginald Robinson, President and CEO, Kansas Board of Regents

2008 Legislative and Public Policy Overview on Higher Education in Kansas

Reginald Robinson, President and CEO, Kansas Board of Regents, introduced Christine Downey-Schmidt, Chairperson, Kansas Board of Regents. Ms. Downey-Schmidt commented that one of the things that found to be troubling when she began to serve on the Board was the realization that there is a difference in the direction between what the Board of Regents would like to see happen and what legislators would like to see happen. She noted that she and her colleagues strongly desired to act in partnership with legislators.

Mr. Robinson discussed the following questions on which he believes Kansas education leaders should focus in building a public agenda for higher education:

- Are we satisfied that high school graduation expectations are aligned with college preparation expectations?
- Are we satisfied with the level of participation in the higher education system?
- Are we satisfied with our institutional retention and completion rates?
- Are the programs, resources, and incentives of higher education aligned with the workforce demands of Kansas?
- Do those that complete programs have the cross-cutting competencies and skills necessary for success in work and in life?

Mr. Robinson went on to summarize actions taken by the Board since the conclusion of the 2007 Legislative Session, which included a report on the progress made in addressing the nurse and teacher shortage in Kansas. (Attachment 1) At this point, he responded to several questions from the Committee regarding the teacher shortage in Kansas. There being no further time, he agreed to return on January 22 to present an overview of the Governor's recommended budget for postsecondary education for FY 2009.

The meeting was adjourned at 2:30 p.m.

The next meeting is scheduled for January 22, 2008.

SENATE EDUCATION COMMITTEE
GUEST LIST

DATE: January 17, 2008

NAME	REPRESENTING
JAY KRAMER	Carroll Group
Jonathan Kroeger	Emporia State / SAC
Courtney Yeager	KBOR Student Advisory Comm' Chair
Kip Peterson	KBOR
Reggie Robinson	KBOR
Christine Downey - Schmidt	KBOR
Julene Miller	KBOR
Theresa Ward Bush	KBOR
Mike Reeser	GBBA
HOWARD SMITH	PITTSBURG STATE UNIVERSITY
David & Monical	WASHBURN
Nathan Milburn	KU - Sen. Stinegr Intern
NP3 Tomlinson	KU - Sen. Pine intern
Stephen Kalb	Kansas Agriculture Rural Leadership
FRANK MALE	KARL
Diane Gjerstad	Wichita Public Schools
Val Diefers	SQE
Tom Kutz	KASB
KATE FIREBROUGH	KATSC

2008 LEGISLATIVE & PUBLIC POLICY OVERVIEW

Senate Education Committee

January 17, 2008

Reginald L. Robinson
President & CEO
Kansas Board of Regents



BUILDING A PUBLIC AGENDA FOR HIGHER EDUCATION:



FIVE STRATEGIC QUESTIONS



Senate Education Committee

1-17-08

Attachment 1



QUESTION #1: EDUCATIONAL SYSTEMS ALIGNMENT

Are we satisfied that high school graduation expectations are aligned with college preparation expectations?

Are Kansas high school graduates prepared to meet postsecondary expectations?



WHAT WE MUST KNOW / WHAT WE MUST DO

- Engagement With K-12 Leadership
- Testing & Survey Data
- Volume of Development Course Offerings
- Define College Readiness





QUESTION #2: PARTICIPATION

Are we satisfied with the level of participation in the Kansas higher education system?

Do participation rates adequately reflect the state's demographic composition?

Are we satisfied with the participation of adult learners in the higher education system?



WHAT WE MUST KNOW

- Enrollment Data
 - Population Aged 25-64
- Census Data
 - Population Aged 25-64
- College Going Rate Data





QUESTION #3: PERSISTENCE

Are we satisfied with our institutional retention and completion rates?



WHAT WE MUST KNOW

- Retention Rate Data
- Graduation Rate Data
- Migration Within Kansas Higher Education System Data





QUESTION #4: ALIGNMENT WITH THE KANSAS ECONOMY

Are the programs, resources, and incentives of higher education aligned with the workforce demands of Kansas?

Are we satisfied with the level of innovation-spurring research and discovery that is being produced within our universities?



WHAT WE MUST KNOW / WHAT WE MUST DO

- Workforce Study Data
- Governor's Economic Sub-Cabinet Report
- Immediate Areas of Focus
 - Teachers
 - Nurses
 - Engineers
 - Other Technical Fields
- Kansas, Inc. Study
- Mechanism For Maintaining Alignment





QUESTION #5: OUTCOMES

Do those that complete programs have the cross-cutting competencies and skills necessary for success in work and in life?



WHAT WE MUST DO

- Identify The Skills And Competencies Necessary For Success
- Mechanisms For Measurement



SINCE THE CONCLUSION OF THE 2007 LEGISLATIVE SESSION...



- 5 New Regents (Boettcher, Docking, Hedges, Sherrer, & Thornton).
- State University enrollment tops 90,000 students for the first time in the state's history.
- State Universities assist 592 students affected by natural disasters.
- Student Loan Code of Conduct adopted.
- Presidents Hammond & Wefald each recognized by the Governor for over 20 years of service to the state.
- First joint State Board of Education / Board of Regents meeting since 2003.
- Postsecondary Technical Education Authority begins work.
- Board receives Technical School transition plans.
- Tuition cost discussions/direction.
- Campus security reviews.



- Board's Adult Education Program receives competitive federal grant (\$500,000) to fund the "Ready For College: Adult Education Transitions Program" – an adult education program that focuses on helping adult learners transition to postsecondary education programs.
- FHSU selected to host KAMS.
- Continued nursing shortage progress (annual report soon to be released).
- Deferred Maintenance work begins:
 - State Universities begin work on 50 projects totaling \$38 million.
 - Board approves \$20 million in no-interest loans for Washburn University, Community College, & Technical College (48 projects financed).
 - Board approves Public University tax credit allocations for 2008 tax year.



TEACHER SHORTAGE:

- The 2007 Legislature enacted a new Kansas Teacher Service Scholarship Program which streamlined four existing teacher scholarships into one comprehensive teacher scholarship program.
- The four previous scholarship programs, during Academic Year 2006-07, totaled \$777,744 and allowed 248 students to be awarded.
- Under the new program, a total of \$1.4 million in scholarship assistance was available. The Board received 815 applications for Academic Year 2007-08 and was able to award 463 students – **an 87% increase over last year.**
- This merit-based, service obligation scholarship program provides financial assistance of up to \$2,500/semester to students and currently-licensed teachers pursuing bachelor's or master's degree programs. Students must pursue endorsement and/or licensure or master's degrees in hard-to-fill disciplines (special education, mathematics, science, music, foreign language, and English as a second language), or plan to teach in an identified underserved geographic area of the state of Kansas (USD 501 – Topeka, USD 500 – Kansas City, USD 259 – Wichita, and State Board of Education District #5 – the western 1/3 of Kansas).



GOVERNOR'S FY 2009 BUDGET RECOMMENDATIONS



HIGHLIGHTS*:

Postsecondary Institutions Operating Grant:	\$35 million
Student Financial Assistance (Total):	\$4.35 million
KU School of Pharmacy Expansion:	\$1 million
KAMS @ FHSU:	\$150k
State University Building Maintenance:	\$15 million
TOTAL INCREASE:	\$55.9 million (6.7%)

**Please see attached budget memo for specific details.*



INVESTMENT PACKAGE:

A \$20.1 million state priority "investment package" was included in the Board's FY 2009 budget request. Of the 11 projects contained in the package, one was included in the Governor's budget recommendations. If ultimately funded, the following projects would produce measurable outcomes and results for Kansas:

- **Increase the Supply of Math & Science Teachers (ESU)**

- Create cooperative math & science programs with community colleges and develop a summer bioscience institute for math & science teachers.

- **Create School of Construction (PSU)**

- Address critical workforce shortages and increased demand for skilled graduates in this field.



- **Create Professional Science Master's Degree Program (FHSU)**

- Establish the first PSM program in Kansas and in the region.

- **Work-Based Learning (WSU)**

- Double the number of students involved in work-based learning programs.

- **Expand School of Pharmacy (KU) - INCLUDED**

- Address the state's looming pharmacist shortage by enhancing Wichita and Lawrence pharmacy programs.

- **"U-Kan" Teach / Undergraduate Certificate Programs (KU)**

- Implement new pathways to teacher licensure to address critical teacher shortages in Kansas.



- **Current Workforce Needs (WSU)**

- Significantly increase the number of graduates in the areas of accounting, engineering, nursing/other health professions, and teaching.

- **Workforce Development Shortages (KU)**

- Increase graduate output in nursing, physical therapy, other allied health professions, business, engineering, and technology.

- **Targeted Research (KSU)**

- Increase investment in targeted research areas that are of particular importance to Kansas.

- **Community Colleges Competitive Grant Initiative**

- **Technical Colleges & Schools Competitive Grant Initiative**



2008 POLICY INITIATIVES



- **Adjust the Partnership for Faculty of Distinction Program Cap**

- Raise the current \$5 million cap to \$10 million (SB 43)

- **SGF Payments to Eliminate Crumbling Classrooms Debt**

- Reduce state debt and continue deferred maintenance progress by freeing-up the EBF (HB 2610)

- **Local Option Sales Tax to Reduce Property Taxes**

- Enable the 18 counties that are home to community colleges to offset local property taxes with a local sales tax



- **Implementation of the KS Academy of Mathematics and Science**

- Amend the KAMS statute and Compulsory Attendance statutes to allow non-resident students, to facilitate student eligibility for Federal financial aid, and clarify fees for non-public school students (SB 404 - **Referred to Senate Education Committee**)

- **University Support Staff and Classified Staff Benefits Clarification**

- Seek clean-up legislation to resolve two conflicting statutes (HB 2611)





"The Kansas Board of Regents shall pursue measurable continuous improvement in the quality and effectiveness of the public postsecondary educational system in Kansas, while expanding participation for all qualified Kansans. To achieve that mission, the Board will demand accountability, focus resources, and advocate powerfully."

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Date: January 15, 2008 (DRAFT: Noon)
TO: Kansas Board of Regents
FROM: Diane C. Duffy
Vice-President, Finance & Administration
RE: Governor's Recommendations for FY 2009

The Governor's recommended appropriations from state funds for postsecondary education for FY 2009 totals \$ 892.1 million, an increase of \$55.9 million or 6.7 percent over the FY 2008 base appropriations. The Governor's SGF spending plan grows by \$281.5 million, or 4.6 percent, over FY 2008. The increase in spending of \$281.5 million is attributed to: K-12 (\$167.6 million), social service caseloads and KPERs (\$67.4 million), a continued commitment to postsecondary education (\$39.5 million). In addition, enhancements to State General Fund programs are made possible by using new gaming revenues to reduce SGF debt obligations and pay for infrastructure improvements. Furthermore, the Governor's plan is based on a 5.0 percent ending balance. The difference between a budget with a 7.5 percent statutory ending balance and a budget with a 5.0 percent ending balance is \$147.4 million and is the amount recommended as the final year of commitment made to increase funding for K-12 public education.

This memo generally describes the key components of the Governor's recommendations for postsecondary education. More detailed information is contained in the Governor's Budget Report, Volumes 1 and 2.

All Higher Education Sectors -- Operating Grant Increase for Postsecondary Education

- The Governor recommends an increase of \$35.0 million for the Postsecondary Institutions Operating Grant, which represents a 4.4 percent increase over the FY 2008 combined operating grants of \$789.4 million. The Postsecondary Institutions Operating Grant represents new funding for the state universities, community colleges, technical institutions, and Washburn University.
- The Governor recommends \$1.0 million (ELARF) for planning and start-up costs in FY 2009 and \$50 million in bonding authority for the expansion of the KU Pharmacy program.
 - The Board requested \$26.8 million for a 3.4 percent HEPI increase
 - The Board requested \$12.6 million for a 1.6 percent "close the gap" increase

- The Board requested \$20.1 million for investment initiatives increase, including the expansion of the KU Pharmacy program.
- The Board requested the Governor to combine the new funding and appropriate it as a new separate line-item -- Postsecondary Institutions Operating grant.

Student Financial Assistance Increases

- The Governor recommends an increase of \$3.0 million for the Comprehensive Grant Program for an SGF total of \$18.7 million.
 - The Board requested the increase of \$3.0 million.
- The Governor recommends an \$1.0 million for the STEM Teacher Service Scholarship program. This program would have the same criteria as the existing Teacher Service Scholarship Program.
 - In coordination with the State Board of Education, the Board supported an increase in teacher service scholarships.
- The Governor recommends an increase of \$250,000 for Military Service Scholarships for a total of \$500,000. This was a new program authorized last session in the Omnibus appropriation bill.
- The Governor recommends an increase of \$100,000 KSU Veterinary Training Program for Rural Kansas Scholarships, the third year of this program for a base total of \$300,000.
 - The Board requested a 3.4 percent increase for other targeted student scholarship programs.

Other Postsecondary Education Program Increases

- The Governor recommends an increase of \$150,000 for the Kansas Academy of Math and Science at Fort Hays State University for a total of \$250,000 for FY 2009.
 - The Board requested a multi-year request with start-up year funding of \$294,988.
- The Governor recommends \$2.5 million (ELARF) for Technical Education Technology and Equipment grants, which is \$1.5 million less than the \$4.0 million recommended in the current year.
 - The Board requested continuation of \$4.0 million in Technical Education Technology and Equipment grants.

Facility Maintenance

- The Governor recommends \$15.0 million (ELARF) to be transferred into the EBF to pay debt service on Regents Crumbling Classroom bonds which would free up \$15.0 million from the EBF for deferred maintenance projects.
 - The Board requested an increase of \$56.4 million which is the difference between the amount of funding already approved by the 2007 Legislature for projects in FY 2009 (\$20 million SGF, \$8.6 million est. interest earnings, and \$15 million EBF) and \$100 million, the estimated amount of funds that can be expended on deferred maintenance projects in a fiscal year.

Governor's Initiatives

- The Governor recommends \$1.0 million for the Wichita Center for Graduate Medical Education in FY 2008 and continues the \$1.0 million into FY 2009. (Appropriated to KUMC).
- The Governor recommends continuation of \$4.0 million (EDIF) for Aviation Research (NAIR- WSU). The FY 2008 amount is \$4,750,000.
- The Governor recommends \$2.5 million (ELARF) for Aviation Infrastructure for support of the aviation industry in the state. This funding is appropriated to WSU.

Other Issues

- KAN-ED – The Governor does not recommend the requested \$4.5 million SGF to offset the statutorily required \$4.5 million in financing from the Kansas University Service Fund (KUSF) , but recommends that a proviso be added to provide the same mix of funding as in FY 2008 (\$8.0 million KUSF and \$2.0 million SGF). KUSF revenues are derived from an assessment on users of intrastate telecommunication services.
 - The Board requested a total of \$4.5 million SGF and \$5.5 million KUSF, in accordance with the statute.

- Transfers from the SGF

Regents Faculty of Distinction – The Governor recommends an estimated transfer of \$5.0 million.

Regents Research Corp Debt Service – The Governor recommends an estimated transfer of \$9.6 million.

The Governor also recommends transfers in accordance with the 2007 Postsecondary Educational Institution Long-Term Infrastructure Program.

- Pay plan for State Employees – The Governor recommends that the base pay all state employees increase by 2.5 percent and endorses a new approach to classified employee compensation.
- KPERS COLA – The budget provides funds for a 1 percent cost-of-living increase for KPERS retirees in each of the next three years.
- The Governor recommends \$209,430 to staff the new Educational Center at Cheyenne Bottoms Wetland. This project was previously approved.

Attached is a table which compares the Governor's FY 2009 recommended increases for higher education appropriations totaling \$55.7 million to the Board's requested increases. The table also includes the adjusted FY 2008 base appropriation levels.

If you have any questions or if you would like additional information, please let me know.

cc: Institutional CEOs, Business Officers and Legislative Liaisons
Reginald Robinson
Sheila Frahm
Steve Kearney
KBOR Staff

KANSAS BOARD OF REGENTS
FY 2009 HIGHER EDUCATION UNIFIED BUDGET REQUEST - STATE FUNDS¹
COMPARED WITH GOVERNOR'S BUDGET RECOMMENDATIONS

Original Budget Submission September 15, 2007, Amended by the Board November 26, 2007, Governor's Recommendation January 15, 2008

	FY 2008 Combined Line Item Base Appropriations	FY 2009 Requested Increase	% Increase	FY 2009 Governor's Recommend Increase	% Increase
All Higher Education Sectors					
Combined Operating Grants Total	\$789,427,156				
New Unified Operating Grant - 3.4% HEPI Increase		\$26,840,523		\$35,000,000	
New Unified Operating Grant - 1.6% Increase		\$12,630,834		\$1,000,000	
State Priorities - Investment Increase		\$20,130,000		\$36,000,000	4.6%
KU School of Pharmacy					
Total - Higher Education Sectors	\$789,427,156	\$59,601,357	7.5%		
Student Financial Assistance					
Comprehensive Grant Program	\$15,689,878	\$3,000,000		\$3,000,000	
Military Service Scholarship	\$250,000			\$250,000	
STEM (Teacher) Service Scholarship	\$1,962,859			\$1,000,000	
KSU Vet Training Program	\$200,000			\$100,000	
Other Programs - 3.4% HEPI Increase	\$6,844,304	\$126,844		\$0	
Total - Student Financial Assistance	\$24,947,041	\$3,126,844	12.5%	\$4,350,000	17.4%
Board of Regents Office	\$4,282,953²				
Staff Support to Align with New Higher Ed Initiative		\$250,000			
3.4% HEPI Increase/Operating Increase/Decrease		\$145,620		(\$74,544) ³	
Kan-ed Financing Shift - SGF replacement of KUSF	\$2,000,000	\$2,500,000			
Total - Board of Regents Office	\$6,282,953	\$2,895,620	9.2%	(\$74,544)	-1.2%
Other Postsecondary Education Programs	\$5,683,502				
3.4% HEPI Increase		\$256,003			
Technical Education Technology & Equip Grants ⁴	\$4,000,000	\$0		(\$1,500,000)	
Kansas Academy of Math & Science (start-up)	\$100,000	\$194,988		\$150,000	
Cheyenne Bottoms Educational Center Staffing				\$209,430	
Pilot for Part-time Adult Learners		\$200,000			
Total - Other Postsecondary Ed. Programs	\$9,783,502	\$650,991	6.7%	(\$1,140,570)	-11.7%
Governor's Initiatives					
Wichita Center For Graduate Medical Education	\$1,000,000			\$0	
Aviation Research (NIAR)	\$4,750,000			(\$750,000)	
Aviation Infrastructure				\$2,500,000	
Total - Governor's Initiatives	\$5,750,000	\$0	0.0%	\$1,750,000	
Facility Maintenance State Universities					
Deferred Maintenance Projects ⁵		\$56,393,000		\$15,000,000	
Annual Maintenance Increase ⁶		\$28,000,000		\$15,000,000	
Total - Building Maintenance		\$84,393,000		\$15,000,000	
Grand Total	\$836,190,652	\$150,667,812	18.0%	\$55,884,886	6.7%
Grand Total, Excluding Facility Maintenance	\$836,190,652	\$66,274,812	7.9%	\$40,884,886	4.9%

Note: HEPI is the Higher Education Price Index. In FY 2009, appropriations will be reduced for FY 2008 one-time bonuses of \$7,727,391 for the universities and \$32,486 for the Board Office.

¹ The table reflects appropriations from State General Fund, Economic Development Initiatives Fund, and ELARF.

² The Governor recommended a reduction of \$268,000 in the Board Office budget in FY 2008.

³ For FY 2009, the Governor recommended a base budget reduction in the Board Office Administration of \$150,000 and Technical Education Authority of \$38,000, and the Governor recommended an increase of \$113,456 for salary and market rate adjustments.

⁴ The Board requested continuation of \$4.0 million in Technical Education Technology & Equipment grants. The Governor recommended \$2.5 million.

⁵ This figure is the difference between the amount of funding already approved by the 2007 Legislature (\$20 million SGF; \$8.6 million interest earnings and \$15 million in EBF) and \$100 million, the estimated amount of funds that can be expended on deferred maintenance projects in a fiscal year. The Governor recommended an increase of \$15.0 million from ELARF.

⁶ Updated 6/27 preliminary estimate. Assumes budgeting goal of \$84 million in annual maintenance expenditures less \$38 million (est) currently expended in the Physical Plant of the operating budgets of the universities. The difference of \$46 million would be only partially financed with SGF (60%) and the balance with other university funds for an SGF request of \$28.0 million, which would be adjusted by any approved inflation increase to the operating budget.