

MINUTES OF THE HOUSE HIGHER EDUCATION COMMITTEE

The meeting was called to order by Chairman Terrie Huntington at 1:30 p.m. on February 10, 2009, in Room 786 of the Docking State Office Building.

All members were present except:

Representative Ann Mah- excused

Committee staff present:

Renae Jefferies, Office of the Revisor of Statutes

Mary Galligan, Kansas Legislative Research Department

Jennifer Horchem, Kansas Legislative Research Department

Kay Scarlett, Committee Assistant

Conferees appearing before the committee:

Others attending:

See attached list.

Discussion and action on HB 2004 - Regents institutions; participation in mandatory retirement plans, conditions

Chairman Huntington opened discussion on **HB 2004**. Renae Jefferies, Office of the Revisor of Statutes, explained that this bill would remove the option of a participant in the retirement plan of the Kansas Board of Regents who takes a leave of absence and accepts a position in the executive branch of government from continuing to participate in the Kansas Board of Regents' retirement plan. This change is necessary to ensure compliance with new federal regulations and to protect the plan's tax exempt status. There would be no immediate fiscal effect.

Representative Rhoades moved to recommend HB 2004 favorably for passage. Seconded by Representative Palmer, the motion carried.

Discussion and action on HB 2007 - State educational institutions; waiver fees and tuition at undergraduate and graduate levels

Chairman Huntington opened discussion on **HB 2007**. Renae Jefferies, Office of the Revisor of Statutes, explained that this legislation would allow state universities, as authorized by the Kansas Board of Regents, to provide scholarships, fellowships, and tuition and fee waivers to undergraduate and graduate students. The bill would have no fiscal effect on the Board or state universities.

Kathy Damron, University of Kansas, and Reginald Robinson, President and CEO, Kansas Board of Regents, submitted information concerning **HB 2007**. (Attachments 1 and 2, respectively)

Representative Rhoades, seconded by Representative Horst, moved to recommend HB 2007 favorably for passage.

Representative McLeland offered a substitute motion to amend HB 2007 to limit the tuition and fee waiver only to children of alumni that live out of state. The motion was seconded by Representative Horst. Discussion ensued. The substitute motion failed.

Back on the original motion to recommend HB 2007 favorably for passage, motion carried.

The meeting was adjourned at 2:07 p.m. The next meeting of the House Higher Education Committee is scheduled for February 11, 2009.

TO: Chairman Terrie Huntington
FROM: Kathy Damron, University of Kansas
RE: HB 2007 Information
DATE: February 10, 2009

During last week's hearing on HB 2007 questions were raised regarding the measure. Some of these questions have been answered in a separate memo from the Kansas Board of Regents. But specifically the University of Kansas was asked to determine the likelihood of students who attend Kansas universities to remain in the state upon graduation.

We examined bachelor degree data from 1997 to 2006, using address data in the alumni system for 96% of the graduates. The results are as follows:

- ✓ **27% of all nonresident (out of state) undergraduate students who graduate from KU are living/working in Kansas or the greater metropolitan Kansas City area.**
- ✓ **68% of resident (in state) undergraduate students who graduate from KU are living/working in the Kansas or greater metropolitan Kansas City area.**

So, from this information you can readily predict that Kansas will retain nearly 30% more residents to our state's declining population through a program made possible through enactment of HB 2007. Additionally, Kansans would further benefit by having these additional out-of-state students' higher tuition helping subsidize the tuition paid by resident students.



KANSAS BOARD OF REGENTS

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February 9, 2009

Representative Terrie Huntington, Chair
House Higher Education Committee
Docking S.O.B.
Topeka, KS 66612

Representative Ann Mah, Ranking Member
House Higher Education Committee
Docking S.O.B.
Topeka, KS 66612

Dear Chairwoman Huntington and Ranking Member Mah:

On behalf of the Kansas Board of Regents, I write to you regarding HB 2007, legislation currently being considered by your Committee, that would permit state universities, subject to Board of Regents approval, to provide scholarships, fellowships, and tuition and fee waivers to undergraduate and graduate students.

Tuition discounting or “waiving” is the forgiveness of all or part of a student’s published tuition price. Discounting serves as a tool to “attract” students to grow enrollment which also maximizes revenue. Thus, it can function as an effective enrollment planning and financial management tool. Considering the state’s aging population, and the impending decline in the number of Kansas high school graduates, HB 2007 would provide the state universities with a vital tool to achieve particular enrollment management goals. In the Midwest, states currently compete for a generally declining number of students. HB 2007 would put our state universities on a level playing field with neighboring states who already have similar tools at their disposal.

Tuition revenues, whether from residents or non-residents, provide vitally important resources for each of our state universities. As a result of legislative changes in 2001, the universities are now funded on a SGF block grant system. Under this method, the Legislature created an incentive for the Board of Regents and the universities to exercise great care with the discounting and/or waiving tuition by crediting tuition revenues to the General Fees Fund (the fund where tuition is deposited) of each state university, subject to appropriation by the Legislature, but without an expenditure limit. This approach ensures that that the Board will exercise prudence in evaluating the extent to which it is in a state university’s interest to waive or discount tuition. Rest assured, if and when the Board receives a tuition proposal made possible by the enactment of HB 2007, it would exercise tremendous caution and engage in intensive oversight of any such program to ensure that enrollment and financial targets are met.

Thank you for the opportunity to comment on HB 2007. We are grateful for your continued consideration of this legislation which would provide the Board with additional flexibility as it works to fairly balance the state’s policy interests in promoting access, affordability, and recruitment against foregone tuition revenues.

Sincerely,

Reginald L. Robinson
President and CEO

House Higher Education Committee
February 10, 2009
Attachment 2