

MINUTES OF THE HOUSE HIGHER EDUCATION COMMITTEE

The meeting was called to order by Chairman Terrie Huntington at 1:30 p.m. on March 3, 2009, in Room 786 of the Docking State Office Building.

All members were present.

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:

Representative Kasha Kelly
Dr. Richard Burke, President, Dodge City Community College
Glenn Kerbs, General Counsel, Dodge City Community College (written only)
William Wojciechowski, President, Pratt Community College
Tony Crouch, Executive Vice President of Business Services, Cowley County Community College
Diane Duffy, Vice President of Finance and Administration, Kansas Board of Regents
Blake Flanders, Vice President for Workforce Development, Kansas Postsecondary Technical Education Authority

Others attending:

See attached list.

Hearing on HB 2252 - Postsecondary technical education, funding

Chairman Huntington opened the hearing on **HB 2252**.

Representative Kasha Kelly on behalf of herself, Representative Pat George, and Representative Mitch Holmes, sponsors of **HB 2252**, spoke in support of the bill to address discrepancies in funding for Dodge City Community College, Pratt Community College, and Cowley County Community College. She indicated that they are having a balloon amendment drafted that would limit the scope of the bill.

Renae Jefferies, Office of the Revisor of Statutes, explained that **HB 2252** creates a new statute and repeals several others. Subsection (a) sets out the definitions for the section; Subsection (b) directs the State Board of Regents to develop a credit hour funding distribution formula for postsecondary technical education; and Subsection (c) directs that such formula is to be based on a fair and equal distribution of moneys among all technical colleges and community colleges. According to the fiscal note, the costs associated with passage of this bill could be absorbed within the Board of Regents Postsecondary Technical Education Authority's budget. The bill could alter funding to individual institutions. (Attachment 1)

Dr. Richard Burke, President, Dodge City Community College, testified in support of **HB 2252** focusing on the inequities that have occurred over a period of years. He explained that the three community colleges--Pratt Community College, Cowley County Community College, and Dodge City Community College--which merged with technical schools prior to passage of SB 345 in 1999 have received less for vocational funding than other Kansas community colleges. They are asking that these inequities be corrected and all institutions be funded at the same fair and equal rate. (Attachment 2)

Background documentation submitted by Glenn Kerbs, General Counsel, Dodge City Community College, in support of **HB 2252** was referred to in Dr. Burke's presentation. (Attachment 3)

William Wojciechowski, President, Pratt Community College, testified in support of **HB 2252**. He stated that passage of SB 345 by the 1999 legislature had some unintended consequences which caused technical education funding inequities: 1) Reduced technical funding for three colleges already merged with area vocational schools, Pratt Community College, Cowley County Community College, and Dodge City Community College, by 12.5 percent while increasing that same funding for other colleges by 28 percent, and 2) Added an incentive for area vocational schools to merge without mention of including the three colleges

CONTINUATION SHEET

Minutes of the House Higher Education Committee at 1:30 p.m. on March 3, 2009, in Room 786 of the Docking State Office Building.

that were already merged. Local taxpayers of Ford, Cowley and Pratt Counties are subsidizing workforce development training due to this disparity and differential funding. (Attachment4)

Representative Pat George applauded the committee for passage of **HB 2003** to address this inequity. He just wants to get something done.

Tony Crouch, Executive Vice President of Business Services, Cowley County Community College, appeared in support of **HB 2252**. He stated that there are now 9 community colleges combined with area vocational technical schools; however, of the six combined institutions formed prior to this fiscal year, state funding for Cowley, Pratt and Dodge City is exclusively through the community college operating grant. At the same time, Hutchinson, Johnson County and Coffeyville receive state funding through the postsecondary technical aid grant in addition to the community college operating grant. It is this difference in funding methodologies this bill addresses. (Attachment 5)

Diane Duffy, Vice President of Finance and Administration, Kansas Board of Regents, and Blake Flanders, Vice President for Workforce Development, Kansas Postsecondary Technical Education Authority, appeared in opposition to **HB 2252**. Although the Kansas Board of Regents and the Kansas Postsecondary Technical Education Authority agree with many components of this bill, they are working to implement a new, more data driven approach to funding technical education that focuses on the cost of providing such programs. They encouraged the committee to continue to support **HB 2003** as the basis for the ongoing development of a new funding approach. They believe **HB 2003**, proposed by the Authority and included in the Board's legislative package, would address the intentions of this bill. (Attachment 6)

Representative Kasha Kelly stated that where the Board of Regents and the Postsecondary Technical Education Authority are heading is good; but it doesn't do anything for these three colleges right now.

The hearing on **HB 2252** was closed.

The meeting was adjourned at 3:05 p.m. The next meeting of the House Higher Education Committee is scheduled for March 4, 2009.

HOUSE HIGHER EDUCATION COMMITTEE GUEST LIST

DATE March 3, 2009

NAME	REPRESENTING
KEITH PANGBURN	KEARNEY ASSOC.
Tony Crouch	Cowley County Community College
DAVE BURGESS	JOHNSON COUNTY COMMUNITY COLLEGE
Pat McAtee	Cowley
Linda Fink	KALLT
Janice Wypieszowski	Pratt
Shelley K. Wojciechowski	Pratt Community College
Richard K. Suck	Dodge City Community College
David Boucher	Intern - Rep. Mah
Blake Flanders	KBOR
Diave Ditty	KBOR
Theresa Bush	KBOR
Rita Johnson	KBOR

College

Office of Revisor of Statutes
300 S.W. 10th Avenue
Suite 010-E, Statehouse
Topeka, Kansas 66612-1592
Telephone (785) 296 -2321 FAX (785) 296-6668

MEMORANDUM

To: House Committee on Higher Education

From: Renae Jefferies, Assistant Revisor

Date: March 3, 2009

Subject: House Bill No. 2252

HB 2252 creates a new statute and repeals several others.

Subsection (a) of the bill sets out the definitions for the section.

Subsection (b) directs the State Board of Regents to develop a credit hour funding distribution formula for postsecondary technical education. In academic year 2009-2010 and each academic year thereafter, all moneys appropriated for post secondary technical education shall be distributed equally and fairly among the technical colleges and community colleges based on the formula developed by the Board.

Subsection (c) directs that if the postsecondary technical education authority develops a credit hour funding formula, it shall be based on a fair and equal distribution of moneys among all technical colleges and community colleges.

The act would be effective upon publication in the statute book.

According to the fiscal note, the costs associated with passage of this bill could be absorbed within the Board of Regents Postsecondary Technical Education Authority's budget. Additionally, the bill could alter funding to individual institutions.

TO: Kansas Legislative Higher Education Committee
SUBJECT: Testimony in Favor of HB 2252
FROM: Richard K. Burke, Ph.D.
President, Dodge City Community College
DATE: Tuesday, March 3, 2009

The purpose of my testimony is to focus upon the inequities that have occurred over a period of years. There are three community colleges which have merged with technical schools who have received considerably less for vocational funding than three other Kansas Community Colleges. As you have been advised, these three community colleges are Pratt, Cowley and Dodge City Community College.

In the past, technical educational classes were funded 2 for 1 compared to academic classes. In 1992 the three colleges made a choice to continue with the 2 for 1 funding. When the funding formula changed we believed that we would at least have a choice and not be penalized for taking the initiative to do what we believed that the Department of Education, which governed the Colleges at that time, wanted us to do.

This issue is brought to your attention, NOT only because of dollars, but because of the unfairness to our students. Being funded 1/3 the amount translates into being unable to upgrade equipment and instructional costs to provide our students with the same excellent education and to prepare them for careers in the workforce, which is a major focus of our State and Nation.

For the past three years, I have personally made numerous attempts to quietly and privately speak to these inequities with our Board of Trustees, the Kansas Board of Regents, Regents' staff and leadership, the Kansas Technical Authority and our State Legislators. It is my understanding that because it is in statute, the Legislature must address and correct this unfairness.

House Higher Education Committee
March 3, 2009
Attachment 2

A quick review, the magnitude of the inequity is as follows.

In 2008 alone, the loss of revenue represents:

Pratt Community College	\$1,243,695
Cowley Community College	\$1,182,714
Dodge City Community College	<u>\$ 341,638</u>
For a total for FY2008 of:	\$2,768,047

The cost of providing workforce development and technical education is twice the cost of providing academic instruction. In order to educate and train our students to be competitive and successful, the taxpayers of these three institutions are asked to pay more.

We are aware and appreciate that there are plans to address these inequities by the Technical Authority, however, we have been told and assured of efforts to correct these inequities for almost three years.

We are not blaming anyone for this problem nor asking that other colleges be penalized by reducing their funding. We are simply asking that these inequities be corrected and all institutions are funded at the same fair and equal rate.



RESOLUTION NO. 2006-07

A RESOLUTION CONCERNING FUNDING FOR POSTSECONDARY STUDENTS ENROLLED IN VOCATIONAL EDUCATION COURSES OR PROGRAMS.

WHEREAS, Dodge City Community College ("DCCC") is a public community college established and existing under the laws of the state of Kansas;

WHEREAS, DCCC and Unified School District No. 443, Dodge City, Kansas ("USD 443") entered into a Consolidation Agreement ("Agreement") dated June 23, 1993, and merged the Southwest Kansas Area Vocational Technical School ("SWKAVTS") with DCCC pursuant to K.S.A. 71-1701 *et seq.*;

WHEREAS, DCCC and USD 443 agreed DCCC would notify and seek the approval of the Agreement by the state board of education as then required by K.S.A. 71-1702(c);

WHEREAS, DCCC and USD 443 agreed to cooperate with the state board of education in determining credit hour state aid pursuant to K.S.A. 71-602 and to request an order from the state board of education officially designating DCCC as an area vocational school;

WHEREAS, on August 10, 1993, the state board of education approved the merger of the SWKAVTS with DCCC and officially designated DCCC as an area vocational school;

WHEREAS, after the merger of the SWKAVTS with DCCC in 1993, the Kansas Legislature allowed K.S.A. 71-602 to expire and placed community colleges under the supervision of the Kansas Board of Regents;

WHEREAS, there are six community colleges in Kansas designated as area vocational schools;

WHEREAS, three community colleges are receiving postsecondary categorical funding in the approximate amount of \$8,500.00 per student, while DCCC receives state credit hour funding in the amount of \$2,404.94 per full-time equivalent enrollment;

WHEREAS, K.S.A. 71-1706(b) provides:

"(b) A community college consolidated with an area vocational school or area vocational-technical school, which has postsecondary students enrolled in a vocational education course or program not for community college credit, shall be entitled to receive area vocational school or area vocational-technical school state categorical aid for the enrollment of such postsecondary students.";

WHEREAS, the discrepancy in funding creates an unfair financial burden upon the taxpayers of Ford County, Kansas;

AND WHEREAS, the funding provided to DCCC by the Kansas Board of Regents for vocational education courses is contrary to the provisions of K.S.A. 71-1706.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF DODGE CITY COMMUNITY COLLEGE, AS FOLLOWS:

Section 1. Dodge City Community College is entitled to funding for students enrolled in vocational education courses in accordance with the provisions of K.S.A. 71-1706.


Section 2. A request for funding of vocational education students in accordance with K.S.A. 71-1706 commencing with the current fiscal year shall be forwarded to the Kansas Board of Regents.

Section 3. The Board of Trustees reserves the right to consider and pursue other appropriate action in the event the request for equal funding is not honored by the Kansas Board of Regents.

Section 4. This resolution shall take effect upon adoption.

ADOPTED this 9th day of August, 2006, by the Board of Trustees of Dodge City Community College.

BOARD OF TRUSTEES OF
DODGE CITY COMMUNITY COLLEGE




William J. Austen, Chair

APPROVED AS TO FORM:

ATTEST:



Dr. Richard K. Burke, Secretary



Glenn I. Kerbs, College Attorney

GLENN I. KERBS
ATTORNEY-AT-LAW

RECEIVED

CCP

AUG 8 2006

PRESIDENT'S OFFICE

CENTRAL AT COMANC
P.O. BOX 14
DODGE CITY, KANSAS 678
TELEPHONE (620) 225-0
FAX (620) 225-0

August 7, 2006

Mr. William J. Austen, Chair
Dodge City Community College
Board of Trustees
402 Minneola Road
Dodge City, Kansas 67801

Dear Bill:

This is in reply to the Board of Trustees' request for an opinion concerning funding to community colleges by the Kansas Board of Regents for vocational education courses. Specifically, the Board has expressed concern that the six Kansas community colleges designated as area vocational schools are funded differently.

In 1992 the Kansas Legislature enacted statutory provisions authorizing the consolidation of area vocational schools or area vocational-technical schools with community colleges (K.S.A. 71-1701 *et seq.*). The act defines what must be addressed in a consolidation agreement, provides for approval of the agreement by the state board of education and entitles a community college to state aid for postsecondary students.

In 1993 Dodge City Community College ("DCCC") and Unified School District No. 443 ("USD 443") entered into an agreement for the consolidation of the Southwest Kansas Area Vocational Technical School ("SWKAVTS") with DCCC. Prior to the Consolidation Agreement dated June 23, 1993, the USD 443 Board of Education was the governing body of the SWKAVTS. The Consolidation Agreement included the following provisions:

1. The consolidation of the SWKAVTS with DCCC was finalized, "as contemplated by and pursuant to K.S.A. 71-1701 *et seq.*";
2. DCCC would notify and seek approval of the agreement by the state board of education as required by K.S.A. 71-1702(c);
3. USD 443 and DCCC would cooperate with the state board of education in determining credit hour state aid pursuant to K.S.A. 71-602; and

4. USD 443 and DCCC would request an order from the state board of education officially designating DCCC as an area vocational school.

On August 10, 1993, the Consolidation Agreement was approved by the state board of education and DCCC was officially designated an area vocational school.

Since 1993 DCCC has provided vocational education courses and programs and credit hour state aid has been paid to DCCC for vocational education students pursuant to K.S.A. 71-602. In 1999 Senate Bill No. 345 was enacted by the Kansas Legislature and provided for the expiration of K.S.A. 71-602 on June 30, 2000.

K.S.A. 71-1706 has existed without amendment since its adoption in 1992 and provides:

“(a) Notwithstanding any other provision of law, a community college consolidated with an area vocational school or area vocational-technical school is authorized to provide vocational education courses or programs to pupils enrolled in a school district or such community college may enter into an agreement with the board of education of any school district to provide vocational education courses or programs. The community college **shall** be entitled to receive area vocational school or area vocational-technical school state categorical aid for the enrollment of such pupils.

(b) A community college consolidated with an area vocational school or area vocational-technical school, which has postsecondary students enrolled in a vocational education course or program not for community college credit, **shall** be entitled to receive area vocational school or area vocational-technical school state categorical aid for the enrollment of such postsecondary students.”

Based upon the information I have reviewed, DCCC has never received categorical aid for postsecondary students enrolled in vocational education courses that are not for community college credit. This is in direct contradiction to the mandatory language of K.S.A. 71-1706.

Three of the community colleges (Hutchinson Community College, Johnson County Community College and Coffeyville Community College) designated as area vocational schools receive postsecondary categorical funding while the other three community colleges (Dodge City Community College, Pratt Community College and Cowley County Community College) receive state credit hour funding. The difference in funding for 2006 is approximately \$6,100.00 for each full-time student.

Several inquiries have been made as to why the disparity in funding exists. Representative Pat George made an inquiry to the Kansas Legislative Research Department (“KLRD”) in response to an email he received from Trustee Terry Malone. Debra Hollon, Senior Fiscal Analyst with KLRD responded on June 27, 2006, as follows:

“Legislation passed in 1992 (SB 485) provides that a community college which merges with a technical institution may receive moneys through

Postsecondary Aid for Technical Education. However, the college cannot receive both the postsecondary aid and funding through the community college operating grant for the same student. If a student's credit hours are applied toward the technical education aid, that student cannot be counted in the institution's enrollment as it pertains to the disbursement of the community college operating grant.

There are currently six combinations of a community college and a technical institution in Kansas: Johnson County Community College, Coffeyville Community College, Cowley County Community College, Hutchinson Community College, Dodge City Community College, and Pratt Community College. Of these, three (Cowley, Pratt, and Dodge City) merged prior to passage of the 1992 legislation and receive state funding only through the community college operating grant. The others (Johnson County, Hutchinson, and Coffeyville) merged after the legislation and receive state funding through both mechanisms.

The 1992 legislation did not contain language to grandfather in the three institutions which had merged or incorporated technical education courses prior to that date. New legislation would be required to authorize inclusion of Cowley, Pratt, and Dodge City Community Colleges in the allocation of technical education aid."

The basis of Ms. Hollon's reasoning is, in my opinion, flawed. She says DCCC merged prior to passage of Senate Bill No. 485 in 1992 and therefore receives funding only through the community college operating grant. In fact, DCCC merged with the SWKAVTS after 1992 and the merger was specifically made pursuant to K.S.A. 71-1701 *et seq.*

Trustee Morris Reeves made several inquiries to the Kansas Board of Regents regarding the funding difference between the six community colleges. On July 11, 2006, Trustee Reeves received a reply from Marvin A. Burris, Interim Vice President for Finance and Administration with the Kansas Board of Regents. Mr. Burris referenced the Consolidation Agreement dated June 23, 1993, and specifically cited the sentence that reads, "443 and DCCC shall cooperate with the state board of education in determining credit hour aid pursuant to K.S.A. 71-602". Mr. Burris goes on to note that K.S.A. 71-602 is the statute which provided for "two to one" funding for vocational courses prior to its repeal in 1999.

It is my opinion Mr. Burris' response does not adequately address this important issue. Three of my concerns are:

1. What action did the state board of education take to determine DCCC would be funded for vocational education hours pursuant to K.S.A. 71-602? The order issued by the state board of education approves the merger and designates DCCC an area vocational school. The order is silent as to funding.

2. K.S.A. 71-602 was allowed to expire seven years after DCCC and the SWKAVTS merged. If there *was* an election in 1993 by DCCC as to the funding method, what is there to suggest the election was "forever" or the election was intended to survive the eventual expiration of K.S.A. 71-602?

3. How do you "get around" the mandatory language of K.S.A. 71-1706?

Copies of the Hollon memo and the Burris email are enclosed for your review. Also enclosed are copies of the order issued by the state board of education on August 10, 1993 and the Consolidation Agreement dated June 23, 1993.

It is my opinion the explanations by Hollon and Burris do not adequately address my concerns about this important funding issue. The attempt to justify the disparity in funding for community colleges that are similarly situated is neither persuasive nor consistent with the facts. There is no rational basis for the unequal treatment of the citizens of Ford County and the citizens of Reno, Johnson and Montgomery Counties. The financial burden to the taxpayers of Ford County for the same educational opportunity is significantly greater than the financial burden to the taxpayers of the three other counties.

Enclosed is a draft resolution I have prepared for consideration by the Board of Trustees. It is my opinion the Board of Trustees should take appropriate steps to address the inequality in funding for vocational education courses.

Very truly yours,



Glenn I. Kerbs
College Attorney

GIK:ab

Encl.

pc: Dr. Morris L. Reeves
pc: Ms. Laura G. Mead
pc: Ms. Carol S. Strobel
pc: Mr. Terry J. Malone
pc: Dr. Merrill Conant
pc: Dr. Richard K. Burke
pc: Mr. Danny Gillum
pc: Mr. Michael Ahern
pc: Ms. Doris Donovan

BEFORE THE KANSAS STATE BOARD OF EDUCATION

Kansas State Education Building
120 S.E. Tenth Avenue, Topeka, Kansas 66612-1182
(913) 296-3201

In the Matter of the Consolidation of)
the Southwest Kansas Area Vocational-)
Technical School and Dodge City)
Community College pursuant to)
K.S.A. 71-1701 et seq.)

ORDER DESIGNATING DODGE CITY COMMUNITY COLLEGE
AS AN AREA VOCATIONAL SCHOOL

NOW, on this 10th day of August, 1993, the proposed Consolidation Agreement between the Southwest Kansas Area Vocational-Technical School and Dodge City Community College, Dodge City, Kansas, comes on for consideration by the Kansas State Board of Education pursuant to K.S.A. 71-1701 et seq.

WHEREUPON, the State Board of Education, after considering the Consolidation Agreement entered into between the Board of Education of Unified School District No. 443, Ford County, Kansas, as the governing authority of the Southwest Kansas Area Vocational-Technical School and the Board of Trustees of Dodge City Community College, and being otherwise duly advised in the premises, finds and concludes that said Agreement provides for those items required under K.S.A. 71-1702(b) and, therefore, should be approved.

IT IS, THEREFORE, ORDERED by the Kansas State Board of Education, pursuant to K.S.A. 71-1702(c), that Dodge City Community College be, and hereby is, officially designated an Area Vocational School, effective the 10th day of August 1993.

KANSAS STATE BOARD OF EDUCATION

By: Paul D. Adams
Paul D. Adams, Chairman

ATTEST:

Joy Simpson
Joy Simpson, Secretary
State Board of Education

CONSOLIDATION AGREEMENT

THIS AGREEMENT is made and entered into this 23 day of June, 1993, by and between Unified School District #443, Dodge City, Kansas ("443"), and Dodge City Community College, Dodge City, Kansas ("DCCC"),

WITNESSETH:

WHEREAS, by prior agreement approved by the state board of education, the post secondary vocational programs provided by the Southwest Kansas Area Vocational Technical School ("SWKAVTS") were transferred by 443 to DCCC;

WHEREAS, the Board of Education of USD 443 is the governing body of SWKAVTS; and

WHEREAS, 443 and DCCC desire to consolidate the SWKAVTS with DCCC as contemplated by and pursuant to K.S.A. 71-1701 et seq.

In consideration of the mutual covenants and agreements contained herein, the parties agree as follows:

1. SWKAVTS owns no interest in any real property.
2. All outstanding indebtedness of SWKAVTS incurred after July 1, 1993, shall be assumed by DCCC.
3. All compensation or salaries of all SWKAVTS personnel incurred after July 1, 1993, shall be assumed by DCCC.
4. There will be no personnel transfers resulting from this consolidation.
5. DCCC shall notify and seek the approval of this consolidation agreement by the state board of education as provided by K.S.A. 71-1702 (c).
6. 443 and DCCC shall cooperate with the state board of education in determining credit hour state aid pursuant to K.S.A. 71-602. Further, the parties shall request an order from the state board of education officially designating Dodge City Community College as an area vocational school.
7. The governing body of SWKAVTS shall serve as an advisory board to the DCCC Board of Trustees. The advisory board shall meet at least monthly and make recommendations to the DCCC Board of Trustees relating to personnel, programs, budget and budget allocations.

CONSOLIDATION AGREEMENT

Page 2

8. Nothing in this agreement shall prevent DCCC from entering into an agreement or agreements with 443 to provide vocational educational courses.

9. The execution of this agreement has been duly authorized by the governing boards of each of the parties hereto.

10. This agreement shall be binding upon the parties hereto, their successors and assigns.

IN WITNESS WHEREOF, the parties have executed this agreement as of the day and year first above written.

ATTEST:

Jan Eckles
Secretary

Date: 7-21-93

BOARD OF EDUCATION
UNIFIED SCHOOL DISTRICT #443

Mark Oubangh
Chairperson

Date: 7-21-93

ATTEST:

T. G. Lumbie
Secretary

Date: 6-23-93

BOARD OF TRUSTEES
DODGE CITY COMMUNITY COLLEGE

[Signature]
Chairperson

Date: 6/23/93

COPY

DODGE CITY COMMUNITY COLLEGE and AREA TECHNICAL CENTER



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①

August 10, 2006

Mr. Nelson Galle, Chairman
Kansas Board of Regents
1000 SW Jackson St.
Topeka, KS 66612-1368

Dear Regent Galle:

At the request of the Dodge City Community College/Area Technical School Board of Trustees, we are forwarding to you Resolution No. 2006-07 (Technical Funding), which was adopted by a unanimous vote on August 9, 2006. Through this resolution the DCCC Board is requesting the Kansas Board of Regents to allocate postsecondary aid for qualified enrollment to Dodge City Community College/Area Technical School pursuant to the provisions of KSA 71-1706 for the 2006-2007 fiscal year.

The Board of Trustees, representing the voters and taxpayers of Ford County, took this action after careful deliberation and study of the funding formulas for Kansas community colleges. The fact that three community colleges that have also merged with area technical schools are and have been receiving postsecondary aid prompted this action. The discrepancies of the funding received by community colleges that provide like technical education and training are unexplainable. Three community colleges receive approximately \$8,500 per FTE compared to three other community colleges that receive approximately \$2,400 per FTE. Enclosed is a legal opinion from DCCC's legal counsel stating that Dodge City Community College/Area Technical School is and has been eligible for postsecondary aid for qualified enrollment.

When SB345 was passed in 1999, the formula for two for one funding for technical courses was eliminated. The reduction of state funding for technical courses has resulted in an even greater tax burden being shifted to property owners of the affected counties. This additional tax burden has compounded for the past six years.

The Dodge City Community College/Area Technical School Board of Trustees sincerely hope that the Kansas Board of Regents will see the logic of this request and initiate actions that will result in a fair funding formula for all community colleges/technical schools for technical education.

Sincerely,

Richard K. Burke, Ph.D.
President

William J. Austen
Chairman, Board of Trustees



To: House Higher Education Committee

Re: HB 2252 Testimony

The provisions of HB 2252, if passed, will remove the technical education funding inequity caused by the passage of SB 345. SB 345 (1999 session), which mandated that all postsecondary education would be coordinated and governed by the Kansas Board of Regents (KBOR), had some "unintended consequences" which caused serious technical education funding inequities. These included:

1. Reducing technical funding for three colleges merged with area vocational schools – Dodge City Community College, Cowley County Community College and Pratt Community College – by 12.5 percent while increasing that same funding for other colleges by 28 percent.

Impact: For FY2009 alone, Pratt Community College's lost revenue was \$1.2 million thus preventing us from increasing enrollments, programs and services in workforce development. Pratt County taxpayers also saw increases in their property taxes to help deal with this funding shortfall.

2. Adding an incentive for area vocational schools to merge without mention of including the three colleges – Dodge City, Cowley County and Pratt – who were already merged and who had already undergone a 12.5 percent reduction in technical education funding.

Impact: Six colleges have since merged with area vocational schools and are now receiving differential funding for technical education at roughly three times the rate of Dodge City, Cowley County and Pratt, who merged prior to SB 345. Nine colleges are teaching similar programs and undergoing similar costs, all contributing heavily to the state's workforce development efforts. However, six, because of a matter in timing, are receiving considerably higher funding while the three previously merged colleges are having to pass additional costs to their students and taxpayers.

Currently, community college funding under SB 345 provides the same funding for both academic and workforce development/technical education credit hours. The cost of providing workforce development/technical education credit hours is double the cost of providing academic hours and even higher in high cost programs such as nursing and electric power technology. The local taxpayers of Ford County, Cowley County and Pratt County are subsidizing workforce development training due to this disparity and differential funding.

Respectfully submitted by:
William A. Wojciechowski, Ed.D.
President, Pratt

March 3, 2009 House Higher Education Committee
March 3, 2009
Attachment 4

To: House Higher Education Committee

Subject: HB 2252

House Bill 2252 is broadly written to include funding of postsecondary technical education at all technical colleges and community colleges. The issue, from our perspective, is much more narrow than that.

As you know, the state of Kansas now has 9 community colleges combined with area vocational technical schools. Cowley and Pratt were the pioneers in this venture, with Cowley becoming an AVTS in 1966 and Pratt in 1981. Since these two, Dodge City Community College (1993), Hutchinson Community College (1993), Johnson County Community College (1995), and Coffeyville Community College (2001) have all become area vocational technical schools through merger. In addition, Kansas City Kansas Community College, Seward County Community College, and Highland Community College are all in their first year as merged institutions.

Of the six combined institutions formed prior to this fiscal year, state funding for Cowley, Pratt and Dodge City is exclusively through the community college operating grant. At the same time, Hutchinson, Johnson County and Coffeyville receive state funding through the postsecondary technical aid grant in addition to the community college operating grant. It is this difference in funding methodologies that we focus on.

The financial impact numbers you are hearing today are based on the last full-year data available, fiscal 2008. The impact numbers are computed by considering only those hours associated with programs originating from the area vocational school at the time it became part of the community college, not all vocational hours currently taught.

Thank you for your time.

Submitted by,

Tony Crouch, CPA
Executive Vice President of Business Services
Cowley County Community College and Area Vocational Technical School



KANSAS BOARD OF REGENTS

1000 SW JACKSON • SUITE 520 • TOPEKA, KS 66612-1368

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March 3, 2009

In Opposition to House Bill 2252

Blake Flanders and Diane Duffy
Kansas Board of Regents and Kansas Technical Education Authority

Good afternoon Madam Chair and members of the Committee. My name is Diane Duffy, Vice President of Finance and Administration and I am joined by my colleague, Blake Flanders, Vice-President for Workforce Development. We are here today on behalf of the Technical Education Authority and the Kansas Board of Regents. The focus of these comments is House Bill 2252 and the impact it would have on the institutions within the postsecondary education system that deliver technical education training programs.

The Kansas Board of Regents (KBOR) and Kansas Postsecondary Technical Education Authority (TEA) agree with many components of House Bill 2252. Currently, KBOR staff members are supporting the work of the TEA to implement a new, more data driven approach to funding technical education that focuses on the cost of providing such programs.

The Technical Education Authority and the Board of Regents have observed that the current statutory approach to funding postsecondary technical education, developed in a series of ad hoc, piece-by-piece decisions over time, is fundamentally problematic for two important reasons:

First, the sources of state funding and the formulas used to determine the level of institutional funding depend on institutional decisions, made years ago, that have little, if any, meaningful bearing on current realities.

Second, the current statutes do not authorize the distribution of differential state funding based upon the relative costs of program delivery. In other words, we are unable to distribute funding in a way that accounts for the reality that there is a higher cost to deliver many of the education and training programs that lead to high way jobs, meet the needs of Kansas business and industry and are critical to the Kansas economy.

Recognizing these problems, the 2008 Legislature enacted a proviso charging the Postsecondary Technical Education Authority to develop a new approach for funding technical education:

“to develop a new credit hour funding formula for postsecondary technical training programs based on rates established by the postsecondary technical education authority: Provided further, That the formula

House Higher Education Committee
March 3, 2009
Attachment 6

should be tiered to recognize and support cost differentials in providing high-demand, high-tech training: And provided further, That the formula should target industries that are critical to the Kansas economy: And provided further, That the formula should be responsive to program growth.”

Earlier in this legislative session, this Committee recommended favorably House Bill 2003, which codifies that proviso. That bill was passed by the House and referred to Senate Education. We respectfully encourage this Committee to continue down the path of supporting that bill as the basis for the ongoing development of a new funding approach, rather than switching gears now, or for one year, as appears to be required by House Bill 2252.

Several steps have been taken to implement this proviso. Before work on the new credit hour funding formula could begin, all technical education courses that were offered and funded on a clock hour basis had to be converted to credit hours. Once that effort was completed, the Technical Education Authority charged an Ad Hoc Funding Distribution Workgroup, comprised of staff and institutional experts from some of the affected schools, with generating a “straw man” model, which was presented to the Authority on August 6, 2008. The credit-hour funding approach includes three cost components and is designed to align an Authority determined educational program cost (what it should cost) with a state share paid to the institution for the delivery of the course.

- 1) Instructor cost – tiers are based on direct instructor costs from national study
- 2) Extraordinary cost – tiers based on the average costs for equipment etc. needed for those select programs with intensive equipment requirements
- 3) Indirect cost – funding as a percentage or fixed dollar of instructor costs for other costs associated with the delivery of the technical education program i.e. based on benchmark data

The Technical Education Authority then charged staff with making major data system improvements to support the cost model and data-driven decision making. These improvements include:

- Collecting data on all courses that students are enrolled in as well as the grade achieved in the course
- Collecting data on enrollments in *all* technical education offerings, including those not previously accounted for, such as courses delivered for a specific business or industry and continuing education/community service courses.

The Authority supports the cost model concept and has directed staff to move forward with a goal of implementing a new funding approach effective with the fiscal year beginning July 1, 2010. Implementing the new funding approach beginning with FY 2011 will allow us to collect actual student enrollment and course data and enables us to base the next phase of development on actual institutional data. Also, this timeframe allows for the program alignment process to continue, and for institutions to plan for the change in the approach to funding.

The Kansas Higher Education Data System will be the data source for implementing funding distribution decisions for technical education courses in the future, ensuring consistency in state funding among state institutions that deliver technical education courses. This proposed

methodology will insure that the funding model will rely upon objective facts as the basis for the funding, which should produce a rational basis for the distribution of state funding.

Aside from our rationale for continuing the course set by the 2008 proviso, we have several questions concerning the provisions contained in House Bill 2252:

1. On lines 22-23, the bill requires "all money appropriated by the legislature for postsecondary technical education" to be distributed equally among all technical colleges and community colleges based on the distribution formula. Is this language referring only to postsecondary aid, or does it also include that portion of the community college operating grant that is used to fund technical education courses? What about other state funding streams?
2. In lines 24, 26 and 28, the words "equally" and "fair and equal" are used to describe the required distribution of funds; is the suggestion that the funds be divided in 26 equal parts without regard to such factors as the number or types of courses being taught and/or the number of students being served?
3. Line 30 calls for the repeal of K.S.A. 71-1706. This is the statute that allows for agreements between school districts and community colleges to deliver technical education for secondary students and allows the community college to receive "state categorical aid" for those secondary students. Repealing this statute could eliminate state aid funding to community colleges for delivering technical education to secondary students. This is one of the statutes that the TEA will be studying in preparation for its second round of legislative amendments to update technical education statutes, but this process is not complete as of this time.
4. Line 30 also calls for the repeal of K.S.A. 72-4432. This is the statute that establishes the timing of postsecondary aid payments on August 1 and January 1, as well as how overpayments and underpayments are to be handled. It is not clear to us why this statute would be repealed at this time.

In summary, while we appreciate the concerns this bill is trying to address, we must oppose. We believe HB 2003, proposed by the Authority and included in the Board's legislative package would address the intentions of this bill.

Thank you for the opportunity to comment. I will be happy to answer any questions.

II. State Funding and Distribution Methodologies

Technical education is delivered by 29 two-year, public postsecondary institutions; however, the source and amount 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 illustrates this point.

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 in place at the time of the merger, while Dodge City Community College elected to operate its technical programs as credit hour programs at the time of its merger, 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

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 a the point in time.

State Postsecondary Aid and Its Distribution

6-4

6-5

**Kansas Board of Regents
State Universities -- Undergraduate Resident Tuition & Required Fees
(Full-time, First Time Student)**

University	AY 2004	AY 2005	AY 2006	AY 2007	AY 2008	AY 2009	% Change (1 yr)	% Change (5 yr)
KU	\$4,101	\$4,736	\$5,413	\$6,153	\$6,600	\$7,042	6.3%	71.7%
KSU	\$4,060	\$4,666	\$5,124	\$5,779	\$6,235	\$6,627	6.3%	63.2%
WSU	\$3,507	\$3,908	\$4,231	\$4,516	\$4,804	\$5,085	5.8%	45.0%
ESU	\$2,776	\$3,036	\$3,306	\$3,586	\$3,926	\$4,136	5.3%	49.0%
PSU	\$2,962	\$3,294	\$3,562	\$3,790	\$4,060	\$4,322	6.5%	45.9%
FHSU	\$2,540	\$2,902	\$3,053	\$3,192	\$3,356	\$3,540	5.5%	39.4%

A “one-size fits all” approach to tuition does not work in today’s world because of differing missions, programs offerings, geographic locations, and competitive environments. The Board’s approach recognizes the unique characteristics of each university and adopts individual tuition strategies for each. The Board recognizes that state appropriations and family incomes will be effected by this downturn in the economy, and it will strive for effective strategies for tuition and student financial aid, as well as managing costs to keep higher education affordable.