

MINUTES OF THE SENATE EDUCATION COMMITTEE

The meeting was called to order by Chairman Jean Schodorf at 1:30 p.m. on March 3, 2009, in Room 545-N of the Capitol.

All members were present except:
Senator Chris Steineger- excused

Committee staff present:
Kristen Kellems, Office of the Revisor of Statutes
Theresa Kiernan, Office of the Revisor of Statutes
Matt Sterling, Office of the Revisor of Statutes
Martha Dorsey, Kansas Legislative Research Department
Sharon Wenger, Kansas Legislative Research Department
Dorothy Gerhardt, Committee Assistant

Conferees appearing before the committee:
Jerry Boettcher, Board of Regents
Marlesa Roney, Vice Provost for Student Success, University of Kansas
Jennifer Sanner, Senior Vice President for Communications, KU Alumni Association
J. Kent Eckles, Vice President of Government Affairs, Kansas Chamber of Commerce (written only)
Lydia Peele, Student Body President, Kansas State University

Others attending:
See attached list.

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

Theresa Kiernan, Office of the Revisor of Statutes, presented a summary of the proposed legislation. **HB 2007** was introduced by the Legislative Educational Planning Committee at the request of the State Board of Regents. The bill amends K.S.A. 2008 Supp. 76-719c which concerns the fixing of fees and tuition and the awarding of financial assistance at state universities. Proposed amendments to subsection (a) would allow the Board to authorize state universities to award fellowships and scholarships to both undergraduate and graduate students. Under the existing provision, only graduate students may receive fellowships or scholarships. In addition, the proposed amendments to subsection (a) would allow the Board to authorize state universities to grant waivers for tuition and fees, as well as fellowships and scholarships to both undergraduate and graduate students. Subsection (a) would apply to residents and nonresidents.

Subsection (b) allows state universities to grant waivers for tuition and fees to any nonresident graduate student who is awarded a national fellowship. This benefit would be in addition to any other granted under subsection (a) or under any other provision of law. The bill makes no change to this provision.

According to the fiscal note, the bill would have no fiscal effect on the Board or state universities. As stated in the fiscal note, to the extent additional financial aid is awarded, the cost would be absorbed by the state universities.

Jerry Boettcher, Board of Regents, (Attachment 1) presented testimony in support of **HB 2007** citing the effectiveness of tuition discounting of all or part of a student's published tuition in recruiting students thus maximizing revenue. He stated this bill would put our state universities on a level playing field with neighboring states who already have similar tools at their disposal.

Marlesa Roney, Vice Provost for Student Success, University of Kansas, (Attachment 2) and Jennifer Sanner, Senior Vice President for Communications, KU Alumni Association (Attachment 3) each provided testimony in support of the legislation. J. Kent Eckles, Vice President of Government Affairs, Kansas Chamber of Commerce, (Attachment 4) and Lydia Peele, Student Body President, Kansas State University, (Attachment 5) provided written testimony in support of **HB 2007**.

CONTINUATION SHEET

Minutes of the Senate Education Committee at 1:30 p.m. on March 3, 2009, in Room 545-N of the Capitol.

The hearing on **HB 2007** was closed.

Senator Vratil moved the committee recommend **HB 2007** favorable for passage. The motion was seconded by Senator Owens. Motion carried on a voice vote.

The next meeting is scheduled for March 4, 2009.

The meeting was adjourned at 2:00 p.m.

SENATE EDUCATION COMMITTEE GUEST LIST

DATE: March 3, 2009

NAME	REPRESENTING
Brad Stauffer	Carte Group
Dorlene Miller	KBOR
Janis Janner	KU Alumni Association
Marlesa Roney	University of Kansas
Nathy Dameron	" "
Kip Peterson	KBOR
Todd Powell	Fort Hays State
J Boettcher	KBOR
HOWARD SMITH	PITTSBURG STATE UNIVERSITY
SUE PETERSON	K-STATE
Shanin Frazee	USD #406
Laura Benitz	USD 406
Sheila Hennigan	USD 406
Shannon Fuller	USD 406
Becky Marting	USD 666
Kay Schultz	Wolf River Center - Robinson KS
Chris Lasky	USD 425
Shelly Cluck	USD 433
Amanda Kooser	USD 425

SENATE EDUCATION COMMITTEE GUEST LIST

DATE: _____

NAME	REPRESENTING
Carol Streckes	BCKSET 615
An Hill	USD #415
Ligh Keck	Hein Law firm
Peter Brodie	Emerson State University
Kim Bellie	USD #415
Dustin Mitchell	USD 415



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Senate Education Committee
March 3, 2009

Testimony in Support of House Bill 2007

Regent Jerry Boettcher
Manhattan, Kansas

Good afternoon Chairwoman Schodorf, Ranking Member Hensley, and members of the Committee, thank you for the opportunity to appear before you this afternoon. I am here on behalf of the Kansas Board of Regents to testify in support of HB 2007, legislation 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. This legislation was endorsed by the Board of Regents in November, introduced by the Legislative Educational Planning Committee in January, and was approved by the House last month in a 109-16 vote.

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.

Again, thank you for the opportunity to appear before you on behalf of HB 2007. We are grateful for your 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.

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Attachment 1

**Testimony from the University of Kansas in Support of the
Kansas Board of Regents Legislative Initiative, House Bill 2007**

**Senate Education Committee
March 3, 2009**

My name is Marlesa Roney. I am the Vice Provost for Student Success at the University of Kansas, and I thank you for the opportunity to provide testimony in support of House Bill 2007.

House Bill 2007 creates an opportunity for Kansas universities to develop proposals to be considered by the Kansas Board of Regents to use partial tuition waivers to select populations of students. These tuition waivers can provide a strategic tool enabling universities to help the State of Kansas by attracting more highly qualified students to our state.

There are three major beneficiaries of this proposal:

- 1) The State of Kansas benefits by attracting more highly qualified out-of-state students to our state to attend one of our universities. The state benefits in the short term due to the economic activity of the student and in the long-term, due to the likelihood that the student will remain in Kansas upon graduation.
- 2) In-state students and their families benefit. As more out-of-state students attend Kansas universities, their higher levels of tuition further subsidize the below cost tuition our in-state students pay.
- 3) Universities benefit by having a larger enrollment base to draw upon. Demographic analysis is clear that high school graduates in our state are on the decline. For enrollments at state universities to remain strong, we must be thoughtful in recruiting students from out-of-state to Kansas. For the University of Kansas, it is attractive to consider the students whose parents or grandparents are alumni and alumnae.

One example of this type of tuition waiver program is the concept of a Jayhawk Generations Tuition Plan that could be developed and implemented at the University of Kansas (KU). The Jayhawk Generations Tuition Plan, as discussed in preliminary stages, might provide partial tuition waivers to qualified out-of-state sons, daughters and grandchildren of KU graduates. Let me emphasize that, under this plan, Kansas tax dollars will not subsidize the education of out-of-state students; students on the Jayhawk Generations Tuition Plan will continue to pay for more than the full cost of their education and in doing so, continue to subsidize the cost of educating Kansans.

Why is this important for the University of Kansas? Because over the next decade, the number of students graduating from Kansas high schools will decline. House Bill 2007 provides a way to address these declines by increasing out-of-state enrollment to stabilize enrollment.

Why is this important for the State of Kansas? Because an estimated 27% of out-of-state students who attend KU stay in Kansas or the greater Kansas City area after graduation. House Bill 2007 can increase the workforce in Kansas by enabling universities to enroll more out-of-state students who will stay in the State after graduation.

Let me provide some additional details.

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Attachment 2

The Jayhawk Generations Tuition Plan we are envisioning provides a tool for increasing the University's ability to stabilize enrollment during a time when there is a significant decline in the number of projected Kansas high school graduates. The plan also can serve to strengthen the academic profile of the student body because academic achievement would be a factor in the amount of the waiver.

We envision a tiered waiver system that would award partial tuition waivers according to academic achievement as measured by standardized test scores and high school grades. High ability students would receive a larger waiver, while still paying for the full cost of their education. Students with less stellar academic credentials would receive a lower tuition waiver. The plan also encourages continued academic achievement because students participating in the Jayhawk Generations Tuition Plan would be required to maintain a certain cumulative grade point average to remain eligible, similar to those who receive renewable scholarships.

Currently, scholarships are the only recruitment tool available to reduce expenses for students and their families and entice them to enroll at KU. The impact of the global economic crisis has significantly decreased available scholarship dollars which are funded through private donations. The University's priority is to invest these limited scholarship dollars in Kansas residents. A Jayhawk Generations Tuition Plan provides a new mechanism to offer financial incentives and give these out-of-state students and their families a reason to choose KU.

Moreover, being designated a Jayhawk Generations student will be a mark of prestige that will help reconnect the student's family with the University and with the State of Kansas. All of these families are likely to visit the state while their children are in college, and some may even become property owners as they purchase housing for their students while in college.

This bill to authorize the Kansas Board of Regents to approve tuition waivers has zero impact on state funding. Rather, it creates a better opportunity for the state's universities to weather the current economic situation and the projected demographic decline by enrolling more out-of-state students. If only 100 additional out-of-state students enroll at the University of Kansas because of this program, and those students receive an average of a 10% reduction in out-of-state tuition, more than \$1.5 million in additional tuition revenue will be generated – and each of those students will stay pay more than 100% of the cost of their education.

While those students attend college, they will help subsidize educational costs for Kansans, pay local taxes and contribute to the local economies. When those students graduate from the University of Kansas, about 27% of them will stay in the area and become permanent residents of the state, thus contributing even more to the local tax base and state tax revenues.

As members of our state legislature, you are looking at challenging times for making decisions. Those of us in higher education also see challenges ahead as we examine demographic trends and experience the impact of the global economic crisis. We are seeking ways to use our instructional resources efficiently and to full capacity. House Bill 2007 provides an important new strategic tool that can enable us to meet our enrollment goals and stabilize our revenue streams.

We appreciate the support you have given to higher education in the past and we are here to ask you, as members of the Senate Education Committee, to be advocates for House Bill 2007. If this bill is approved, it creates outstanding opportunities for our universities and for the State of Kansas. Thank you for your consideration of this measure and for your service to our state.

House Bill 2007 would benefit Kansas and help KU compete nationally

Jennifer Sanner, senior vice president for communications, KU Alumni Association

My name is Jennifer Sanner, and for 24 years I have directed communications for the KU Alumni Association. The Association represents nearly 200,000 graduates and more than 46,000 members.

Through the years, I have heard countless inquiries from KU graduates living outside Kansas, asking about tuition assistance for the children of alumni. Many of their questions have been prompted by the fact that nearby states, including Oklahoma, Missouri, Nebraska and Iowa, offer partial assistance to out-of-state children of alumni.

In the past month, since the media began reporting on House Bill 2007, the Association has received overwhelmingly positive response from KU alumni. Nearly 2,000 alumni read a story on the bill and the prospects for partial tuition waivers in the Alumni Association's online newsletter; the story was by far the most popular in the publication. We have received dozens of supportive letters and calls from alumni, including many who already have sent their children to KU or hope to do so. A letter from Laurie Forst Russell, a 1973 KU graduate living in the Chicago area, exemplifies alumni views. She writes:

"Our children are fourth-generation Jayhawks. Our oldest has graduated from KU, and our youngest will graduate in two years. While it's true that KU offers a very competitive out-of-state tuition rate, ... there should be something that rewards families who choose to carry on the KU tradition. Furthermore, distance does not stop our family from visiting the campus several times a year: Translate those visits—and the visits of countless other out-of-state families—into hotel, restaurant and shopping revenue for Kansas."

There is evidence that a sizable portion of out-of-state students who attend KU remain in the state and become part of the Kansas workforce. The Alumni Association and KU's Office of Institutional Research analyzed data of graduates who earned bachelor's degrees from 1997 through 2006. We had addresses for 96 percent of these graduates. We found that 27 percent of non-Kansans in this group are still living and working in Kansas and the Greater Kansas City area. Not surprisingly, 68 percent of Kansans who graduated during this period have remained in their home state.

In addition, our African-American graduates who live outside Kansas are among the strongest advocates of House Bill 2007. They see the partial tuition waiver proposal as an opportunity to build legacies of black students and alumni, while adding to KU's diversity.

It is important to note that alumni in Kansas also support the innovations that House Bill

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2007 would make possible. We have 23 alumni chapters in Kansas and 79,000 KU degree-holders living in the state. Our loyal volunteers in every county recognize that the value of their own KU degrees depends on KU's ability to recruit talented students who can provide the diversity and excellence KU must have to remain a world-class public university. These Jayhawks do not want their alma mater to remain at a competitive disadvantage because neighboring states offer financial assistance to out-of-state children of alumni that KU cannot match.

The KU Alumni Association remains convinced that House Bill 2007 offers the Kansas Board of Regents and the leaders of our state's universities a vital opportunity to create successful partial tuition waiver programs. These innovations will benefit the State of Kansas for years to come.

**Written Testimony before the Senate Education Committee
HB 2007 – In-State Tuition Equivalents for Children of Kansas Universities’ Graduates
Submitted by J. Kent Eckles, Vice President of Government Affairs**

Tuesday, March 3rd, 2009

The Kansas Chamber of Commerce appreciates the opportunity to submit written testimony in favor of House Bill 2007, which would allow the equivalent of in-state tuition for children of graduates of Kansas universities who presently live out of state.

We believe this bill could help address our workforce shortage by bringing talented women and men to our state by attracting highly qualified students to Kansas and keep a good share of them here after they graduate. Alumni records indicate only 30% of all out of state students who graduate from Kansas universities remain in the state upon graduating.

This legislation authorizes the Board of Regents to review and approve proposals from state universities to offer partial tuition waivers for out-of-state students whose parents, grandparents or legal guardians are graduates of Kansas universities.

This bill also could make Kansas universities more competitive with schools in neighboring states, where similar waiver programs attract Kansas students to those states.

HB 2007 applies to every university in Kansas governed by the Kansas Board of Regents, allowing them to design programs to attract more students and maximize revenue. Kansas students win by having more out-of-state tuition dollars to help subsidize their lower in-state tuition.

We urge the Committee to pass favorably House Bill 2007 to better cope with the State’s “brain drain” problem and make our regents institutions more attractive to children of alumni living out of state.

The Kansas Chamber, with headquarters in Topeka, Kansas, is the leading statewide pro-business advocacy group moving Kansas towards becoming the best state in America to live and work. The Chamber represents small, medium, and large employers all across Kansas. Please contact me directly if you have any questions regarding this testimony.



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Attachment 4



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785-532-6541
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www.ksu.edu/sga

Testimony on HB2007

Presented to the Senate Education Committee

Tuesday March 3, 2009

Presented by Lydia Peele, Student Body President, Kansas State University

Madame Chair and Members of the Committee:

My name is Lydia Peele; I am serving as President of the Kansas State Student Body. I am pleased to offer this testimony in support of HB 2007.

This is an important piece of legislation for all of State Universities. At K-State we are very interested in seeing the passage of this bill. This bill would give flexibility to K-State by allowing us to adjust tuition for selected, talented non-resident students seeking to attend K-State. Students, who for example, might live in Missouri or Texas but have parents who attended K-State and possibly have grandparents living in Kansas could attend K-State for less than full non-resident tuition. These particular students might be charged in-state tuition plus a higher differential tuition rate.

At K-State we believe this legislation would provide flexibility by helping K-State attract and retain bright students to add to the size and diversity of our student body.

Thank-you.

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Attachment 5