

MINUTES OF THE HOUSE EDUCATION BUDGET COMMITTEE

The meeting was called to order by Chairman Joe McLeland at 3:30 p.m. on February 11, 2010, in Room 159-S of the Capitol.

All members were present.

Committee staff present:

Theresa Kiernan, Office of the Revisor of Statutes  
Reagan Cussimano, Kansas Legislative Research Department  
Audrey Dunkel, Kansas Legislative Research Department  
Dee Heideman, Committee Assistant

Conferees appearing before the Committee:

Dr Steven Scott, President, Pittsburg State University  
Dr Michael Lane, President, Emporia State University  
Jim Krone, Cessna Aircraft Industry  
Doug Penner, President, Kansas Independent College Association

Others attending:

See attached list.

The following made presentations concerning their respective organizations:

Dr Steven Scott, President, Pittsburg State University  
Dr Michael Lane, President, Emporia State University  
Jim Krone, Cessna Aircraft Industry

They each gave presentations outlining several important points of their organization 1) overview, 2) state funding and how they used it, 3) how the recession has affected their institution, and 4) how their stimulus money was spent. To obtain a copy of their testimony in book form, contact the individual conferee at each respective organization.

Doug Penner, President, Kansas Independent College Association talked about the same things as the Regent's institutions. (Attachment 1) A copy of his booklet can, also, be obtained from Mr Penner at Kansas Independent College Association..

**HB 2280 - School districts; capital improvement and capital outlay state aid.**

Theresa Kiernan, Office of Revisor of Statutes passed out a written explanation of a **HB 2280** amendment. (Attachment 2)

Representative Aurand made a motion to remove from the table **HB 2280**. Representative Carlson provided the second and a majority vote was in favor.

Representative Aurand made a motion to replace the amendment made by Representative Siegfried the previous day to have a sunset clause in three years and the bill would reinstate at that time. Representative Aurand's amendment motion was to change the percent of state money for school districts from 25% to 15% effective July 1, 2010. The motion was seconded by Representative Carlson and it carried on a voice vote.

Representative Aurand made another amendment motion. Before a district with less than 200 square miles and less than 400 students would receive state aid to build a building, it would be required to come before the Joint Building Committee, and at that time this committee would then make a recommendation to proceed with the issuance of bonds for the construction of a new building. However, if the committee recommended against the issuance of bonds, and the district proceeds, they would not receive any state aid. This is to insure school buildings are not sitting around empty in 10 years after being built because of declining enrollment. Representative Siegfried provided a second and the voice vote carried.

Then Representative Aurand made a motion to pass out **HB 2280** favorably as amended. The motion was

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seconded by Representative Siegfried.. The motion passed on a voice vote. Division was requested, and with a show of hands, 5 voted in favor and 3 against. Representatives Lane, Feuerborn, and Rardin requested their names be recorded in the record as voting "no" to pass **HB 2280** favorably as amended.

**HB 2415** - State surplus property act; state educational institutions.

A motion was made by Representative Feuerborn to pass **HB 2415** out favorably for passage and place on the consent calendar. Representative Lane made the second and the voice vote was unanimous.

**HB 2446** - State educational institutions; gifts and donations; investments.

Representative Lane made a motion to amend Page 3, Line 13 of the bill that corrects the name of the Fort Hays University Foundation, Representative Aurand seconded, and the motion to amend was unanimous. Representative Lane, then, made the motion to pass out **HB 2446** favorably as amended for passage. The voice vote was unanimous.

The next meeting is scheduled for February 15, 2010.

The meeting was adjourned at 5:26 p.m.

02/11/2010

Jim Elliott, Tabor College

Doug Penner KICA

John Tomblin WSU/NIAR

Jim Keown, CESSNA Aircraft Co.

Debbie GAND, SPIRIT AeroSystems

Mike Lane Emporia State Univ

Ray Hauke Emporia State Univ

Diana Kuhlmann, Emporia State University

Sharon Wengert, KLTZD

Linda Taylor, Budget

Steve Scott PSU

Victoria White PSU

Cathy Scott PSU

Ray Frederick WATE

Tracy Greene ESU

Peter Brodie ESU

Marjorie Wenly "

Lewi Henry Sandstone Group LLC

Eric Stafford AGC of KS

Mary Henry Olathe School District

Mark Desetti KNEA

Mark Tallman KABC

Kari Prasley Kearney & Associates

Dave Oulry KBOH

Testimony for the House Education Budget Subcommittee  
February 11, 2010

Doug Penner, Ph.D., President  
Kansas Independent College Association

Mr. Chairman and members of the committee, thank you for the opportunity to provide testimony regarding the Kansas Independent Colleges and their place in the state's budget building process. I am Doug Penner, president of the association that represents 18 of the state's independent colleges, all of whom are North Central Association, Higher Learning Commission accredited and not for profit.

I have distributed a booklet we prepare annually that shows in some detail the role played by our colleges within the state's higher education system. The booklet summarizes a variety of data for the sector as a whole and for individual institutions. The data includes 10-year trends in enrollment and graduation patterns, our colleges' role in the state and local economies, patterns of student costs, and finally, financial aid sources for our students. The booklet may serve as a reference document for you as issues arise during the session—and of course, I'd be pleased to answer any questions you might have as you look more carefully at the booklet later.

All of the data included in the booklet supports, in some detail, the points made in the letter on the inside cover that introduces the booklet. Put simply, Kansas independent colleges play a vital role in our state's system of higher education, in the economies of local communities and the state as a whole. Furthermore, in a time of unprecedented fiscal challenge, our colleges return to the state truly remarkable returns on a relatively modest investment in need based financial aid—the Kansas Comprehensive Grant.

- The KICA colleges consistently enroll around 13% of the state's total post-secondary enrollment, two and four year combined, and about 20% of the state's enrollment of students at four-year colleges and universities.
- The colleges annually award about 28% of the state's bachelor's degrees and about 43% of the state's master's degrees.
- Our colleges play a particularly important role in reaching out to older students, advancing their technical or managerial skills for a current employment role, or preparing for a shift in career path.
- The profile of students attending independent colleges in Kansas is virtually identical to that of students attending public institutions in the state—our students are slightly more ethnically diverse than those attending the publics, and they come from virtually the same family economic backgrounds. It is important to communicate the reality that in contrast to a common public image, Kansas independent colleges serve all students, not just students from privileged backgrounds.
- An interesting piece of data new to the booklet, on page 6, involves percentages of graduates completing in four years or less. Note that this is not the percentage of students entering in a given year who graduate four years later—that figure is lower, for both public and private institutions. However, if you think about the

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students walking across the stage to receive their bachelor's diploma, and ask the question, how many accomplished the task in four years or less, these are the numbers, 72% for our private colleges—almost three in four. The statistic underscores the reality that colleges in our group do indeed make it possible for students to complete in the four years many have been led to expect.

Again this year, perhaps even more than in earlier years, our colleges have focused a good deal of their strategic attention and resources on managing costs and staying affordable to students from diverse financial circumstances. By national standards, tuitions at our colleges continue to be relatively low, and institutional financial aid to students is substantial and higher than national averages. On average, our colleges return over 40% of their tuition dollars to students in the form of financial aid. The average institutional grant or scholarship to students is significantly larger than grant aid coming to them from federal government aid programs or from the state's scholarship and grant programs.

All of this makes the point that the independent colleges are doing and consistently have done their part to try to control the cost of a college education and to provide educational opportunity to the students of our state.

As in prior years, unlike other agencies reporting to your committee this week, the independent colleges do not receive direct appropriations from the state budget. For decades, the state has provided significant support indirectly, via the Kansas Comprehensive Grant—the program that merged need based grant programs in the public and private sectors about ten years ago. The grant program annually serves about 10,000 students, 3,000 of whom attend our colleges and the balance the regents' institutions and Washburn.

The dollars that end up supporting students in our colleges represent about 1% of the state's total expenditure on higher education, but that 1% has a powerful impact. There is little question that the fiscal viability of our colleges is closely tied to the comprehensive grant program and its continuing role in providing access and affordability to needy Kansas students.

As our country focuses its attention on addressing 1)the steady decline in the percentage of adults with college degrees, and 2)the increasing gap between the US and other developed countries, it is clear that all of our resources, public and private, need to be leveraged to achieve a higher level of education for our nation's workforce. To achieve success in closing the gap with other countries, we understand now better than ever before that completion, not just access and enrollment must be our objective. In our state, private colleges are and must be key players in the effort.

Our colleges are grateful to legislative leaders in Kansas who for years have had the foresight and commitment to support the Kansas Comprehensive Grant directed to an independent system that generates thousands of graduates each year, graduates ready to serve and to lead, ready to make Kansas stronger and more resilient.

Proposed Amendment to HB 2280

Sec. 3. K.S.A. 2008 Supp. 75-2321. is hereby amended ..... (a) As used in this section:

(1) "School district" or "district" means a school district which has an extraordinary declining enrollment.

(2) "Extraordinary declining enrollment" means an enrollment which has declined during the preceding three school years at a rate of at least 5% per year or by at least 50 pupils per year, whichever is greater.

(3) "Joint committee" means the joint committee on state building construction.

(b) The board of education of any school district shall not authorize the issuance of any bonds for the construction of a new building without having first advised and consulted with the joint committee. Prior to the date of the hearing of the joint committee at which the board is scheduled to appear, the board shall submit any information requested by the joint committee. Following such hearing, the committee shall make a recommendation on the advisability of the proposed issuance of bonds. A copy of the committee's recommendation shall be provided to the school district and to the state board of education within 15 days of the date of the hearing.

(c) ~~If (1) Except as provided by paragraph (2), if the joint committee recommends against the issuance of any bonds for the construction of a new building and if the district proceeds to issue bonds for such construction, the district shall not be entitled to, and shall not receive, state aid for such bonds under K.S.A. 75-2319, and amendments thereto unless approved by the state board.~~

(2) In the case of school districts which either are less than 200 square miles in area or have an enrollment of less than 400 if the joint committee recommends against the issuance of any bonds for the construction of a new building and the district proceeds to issue bonds for such construction, the district shall not be entitled to, and shall not receive, state aid for such bonds under K.S.A. 75-2319, and amendments thereto.

(d) The provisions of this section shall not apply to any district which is not entitled to state aid under K.S.A. 75-2319, and amendments thereto.

Renumber sections

Title and Repealer changes