

MINUTES

KANSAS TECHNICAL COLLEGE AND VOCATIONAL SCHOOL COMMISSION

November 21-22, 2006
Room 514-S—Statehouse

Members Present

Mr. George Fahnstock, Chair
Dr. Robert Edleston
Dr. Jerry Farley
Mr. Joseph Glassman
Mr. James Grier III
Senator Janis Lee
Mr. Reggie Robinson
Mr. Dick Veach

Staff Present

Audrey Dunkel, Kansas Legislative Research Department
Sharon Wenger, Kansas Legislative Research Department
Michele Alishahi, Kansas Legislative Research Department
Carolyn Rampey, Kansas Legislative Research Department
Art Griggs, Office of the Revisor of Statutes (November 21)
Theresa Kiernan, Office of the Revisor of Statutes (November 22)
Gary Deeter, Committee Secretary

Conferees

Reggie Robinson, President, Kansas Board of Regents
Lori Usher, Executive Director, Workforce Development, Sedgwick County Technical Education and Training Authority
Dr. Phil Berkenbile, Director, Oklahoma Department of Career and Technology Education
Dr. Ken Breeden, former Commissioner, Georgia Department of Technical and Adult Education
Diane Duffy, Vice-President for Finance and Administration, Kansas Board of Regents
Ed Poley, Director, Southwest Kansas Technical School
Dr. Edward Berger, President, Hutchinson Community College/Area Vocational Technical School
Rich Hoffman, President, Kansas Association of Technical Schools and Colleges
Clark Coco, President, North Central Kansas Technical College

Others Attending

See attached list.

**Tuesday, November 21, 2006
Morning Session**

The Chairman called the meeting to order at 10:35 a.m. and, after a moment of silence, welcomed Carolyn Rampey, Legislative Research Department, who reviewed actions by the Legislative Educational Planning Committee (LEPC).

Ms. Rampey said the Committee, composed of House and Senate members, wants to consider technical education recommendations by various study groups, including the Commission. The LEPC made preliminary recommendations, which will be put in a report and approved in December 2006. The recommendations are:

- Recommend that the 2007 Legislature take under consideration the recommendations presented by the Kansas Board of Regents, the Technical College and Vocational School Commission, the Kansas Association of Technical Schools and Colleges, and any other related proposals.
- Recommend the addition of \$34.0 million additional funding in FY 2008 and another \$34.0 million in FY 2009 (total funding of \$102.0 million) for technical institutions.
- Recommend that legislation be prefiled to extend the Technical College and Vocational School Commission another two years and require that the Commission make annual reports to the LEPC.

Reggie Robinson, President, Kansas Board of Regents, reviewed recent actions by the Regents pertaining to technical education, commenting that the following recommendations by the Regents represent a year-long information-gathering process regarding postsecondary technical education ([Attachment 1](#)). Stating that the Board considered several governance options, he said the Board of Regents concluded the study with the following recommendations:

- That technical schools and technical colleges in Kansas merge or affiliate with a community college or university; and
- That a weighted funding model and adequate funding mechanism be developed for delivery of all technical education.

Mr. Robinson explained that the Board is presently working to develop a funding model, noting that 1999 SB 345 moved technical education under the Board of Regents, but did not create a new funding model, which *de facto* left the old funding model of 85 percent state funding and 15 percent student tuition funding. Mr. Robinson responded to numerous questions regarding the Regents' process for developing recommendations. A member, noting that only 8 percent of Kansas students attend technical institutions, said attendance would increase if the state were to adequately fund technical education. Mr. Robinson replied to a question that the Regents rejected one option above as too daunting and another as too costly.

Lori Usher, Executive Director, Workforce Development, Sedgwick County Technical Education and Training Authority, reported on the development of a new course for technical education in Sedgwick County ([Attachment 2](#)). She referenced [Attachment 3](#) as the study process

by which stakeholders arrived at a consensus for the new program, commenting on the critical need for skilled workers in aviation-related fields and noting the six points of the new model:

- Access the system through one-stop workforce solutions for students and businesses;
- Create a workforce development mission and business-driven delivery system through the Wichita Area Technical College;
- Create a new governance structure combining Wichita Area Technical College, Kansas Technical Training Initiative, and the Sedgwick County Technical Education and Training Authority, including on the board representatives from aviation, manufacturing, business, health care, information technology, and government;
- Develop a new leadership structure;
- Initiate business-approved program development and instruction; and
- Build a world-class technical facility (Jabara Campus) ([Attachment 4](#)).

Answering questions, Ms. Usher said Sedgwick County is funding Jabara Campus through a county bond issue, but that funding for operations is still in the planning stage; she noted that the success of the Jabara initiative will attract new funds. She replied that any merger with another technical institution in a different county is problematic. She explained that there will be other technical attendance centers besides Jabara, further commenting that Sedgwick County has underwritten the campus debt with a \$40 million bond issue and that a business plan is being developed to fund operations. She estimated that business partnerships should generate about \$5 million. She stated that Wichita Area Technical College has no present plans to merge with another institution, that the college is involved in collaboration with community colleges, but that the local need supersedes any present merger.

Afternoon Session

Dr. Phil Berkenbile, Director, Oklahoma Department of Career and Technology Education, provided an overview of the Oklahoma technical education program ([Attachments 5 and 6](#)). He stated that the basic premise of the program is to provide training for any entity that needs skilled workers, commenting on such training programs as meat processing, flight simulation, equine training, and cyber-security training, with a total of 375,790 postsecondary students enrolled. He detailed career-tech programs in 398 secondary school districts, 29 technology centers with 54 campuses and 1,136 teachers, 22 skill centers in a prison setting, and a virtual career-tech network, with a total budget of \$431 million, \$141 million of which is derived from the state general fund. Dr. Berkenbile told the Commission that Oklahoma has a population of about 3.4 million.

Answering questions, Dr. Berkenbile said CareerTech is a state agency, that it is separate from the university system, that state funds are allocated through the agency, that curricula are approved through the CareerTech Board, that the agency develops alliances with community colleges on an *ad hoc* basis, and that students can elect to take courses for college credit. He

explained that funding is based on programs taught. He said the greatest need for the state's technical education is raising the perception of parents that technical education offers advanced skills and higher wages, commenting that each high school sophomore in Oklahoma receives a brochure outlining all postsecondary educational opportunities. He acknowledged that community colleges often offer parallel technical education courses, which are funded through the state university system. He explained that secondary technical instructors must be certified by the state department of education, but that qualifications for postsecondary technical instructors are based on their technical expertise and experience, with a minimum education being an associate degree and certification. Regarding curriculum standards, he said the state provides minimum standards for each course and then evaluates every course separately, providing accountability through state inspection teams; he replied that his office has a management team of 14. He stated that all two-year programs provide at least 1,050 hours of instruction.

Dr. Ken Breeden, former Commissioner, Georgia Department of Technical and Adult Education, recounted the history, structure, and effectiveness of the Georgia Department of Technical and Adult Education (Attachment 7). He commented that during the 1960s and 1970s, technical education in the state was fragmented in structure and sporadic in quality, but in 1985 and 1987, a new governance structure was created with authority to consolidate all work-force development, economic development, and adult literacy under state authority, accountability, and funding, a change resulting in significant growth in technical education locations (65 campuses) and enrollment (tripling in 10 years, with 97,000 enrolled in technical education in 2003). He noted that funding did not increase parallel to the enrollment increases. He stated that quality control was provided by third-party evaluation through a contract with the Carl Vincent Institute, which surveys students and businesses every three years. Commenting on the state's successful model for technical education, he said the programs are short-term, flexible, and progressive so that a student can obtain certification quickly, gaining not only a certificate, but a warranty that the student is adequately trained in a given skill, further noting that the placement rate for students is 98 percent.

Answering questions, Dr. Breeden said Georgia's technical education agency is separate from any other agency; it has no taxing authority, but receives between \$300-\$400 million from the state general fund. He replied that articulation with the state's universities requires constant attention, further commenting that the best way to increase funding is to maintain good relations with the legislature. He explained that all funding comes through the department and is allocated by block grants to the various schools. He replied that instruction credentials are based on policy statements for each course, not a general certification policy for teachers.

The Chairman expressed gratitude for the informative testimonies of Dr. Berkenbile and Dr. Breeden.

A motion was made, seconded, and passed to approve the minutes for October 10-11, 2006. (Motion, Mr. Glassman; second, Mr. Veach)

The meeting was recessed at 4:55 p.m.

**Wednesday, November 22, 2006
Morning Session**

The Chairman referenced several items of follow-up information:

- The Wisconsin Technical College system (Attachment 8);
- The Sedgwick County Technical Education and Training Authority business plan (Attachment 9);
- A spreadsheet provided by staff of the actual operating expenses by category of Kansas technical colleges and schools (Attachment 10); and
- Further concerns of former conferee (October 10-11, 2006) Dr. Greg Belcher regarding any proposed merger of technical schools and colleges with community colleges (Attachment 11).

Diane Duffy, Vice-President for Finance and Administration, Kansas Board of Regents, provided an overview of the funding for the 29 technical institutions in Kansas, answering the questions: "How much is spent on technical education? Where do the funds come from? and Where do they go?" (Attachment 12). She listed the funding streams as:

- State postsecondary aid;
- State capital outlay;
- State community college operating grant and out-district tuition offset;
- Perkins (federal) grants;
- Local mil levies;
- Student tuition; and
- Various grants and contracts.

Ms. Duffy said that the state spends \$65.6 million for technical education, a figure which includes an estimated \$30.7 million for technical education in community colleges. She explained that various technical institutions are allocated funds depending on whether they have merged with a community college, whether or not they have taxing authority, and which funding stream they are eligible for. Statutorily, the Board of Regents is charged with computing the allocation of state postsecondary aid according to the 85/15 formula (85 percent of local cost per enrollment hour and total postsecondary enrollment). She noted that in recent years three approaches to the formula have been used: the basic 85 percent entitlement formula, a block grant, and three-year rolling average of enrollment. She further noted that, since 2002, a technical institution's compliance with a performance agreement has been used by the Regents to determine the allocation of new state funds. She explained that noncompliance would cause an institution to lose funds for only the first year; the following year the amount lost is added to the institution's base budget.

Members discussed how to assess the percentage of state funds allocated to community colleges for technical education. Answering questions, Ms. Duffy said funding is based on programs approved by the Regents, even though some programs are based on clock hours and others on credit hours, a disparity widened by the fact that course lengths vary. She explained that the 85 percent of cost is determined by dividing the operating budget by the total number of hours taught multiplied by 85 percent. She noted several problems with present funding:

- The more that enrollment in a technical institution increases, the fewer funds are available per student;

- Because state aid has rarely reached statutory intention (85 percent), the insufficient funds are prorated to each institution. The block grants are an attempt to address inequities;
- The disparity in translating clock hours into credit hours creates further inequities. The three-year rolling average was the Regents' attempt to alleviate this problem. In 2004, the Regents' policy was to convert from clock hours to credit hours: 15:1 for class work; 30:1 for labs; 60:1 for clinical experience. She said the Regents' plan is to move exclusively to credit hours by FY 2010.

Answering further questions, Ms. Duffy replied that currently each institution is allocated \$100,000 for capital outlay. Regarding performance agreements, she said any institution is eligible for 2 percent of new funding if the Regents accept the institution's performance report, a process established statutorily through SB 647. She referenced the performance agreement guidelines on pages B1 through B12 of Attachment 11. She said a task force is currently working on a new funding formula for technical education. In further discussion of the cost of technical education compared with general education (especially in community colleges), a member suggested technical education be funded at 1.5 up to 2.0 of general education. Ms. Duffy said the goal of the Regents is to provide excellent ("top of third quartile") technical education for Kansas. Several members voiced support for excellence. Ms. Duffy concluded by laying out possible guidelines related to funding: funding targets, funding institutions, funding programs, or funding outcomes.

Ed Poley, Director, Southwest Kansas Technical School, briefed the Commission on the history and five-state outreach of the school, saying in FY 2005 the 933 students received a total of 277,640 hours of instruction ([Attachment 13](#)). He commented that the school had recently been judged fully compliant by the North Central Association Commission on Accreditation and School Improvement. He observed that, though the school is funded through USD resources, the USD board is more concerned with K-12 issues, causing the school to move toward a merger with Seward County Community College, a move which will allow more growth in technical education. He cited incoming industries, all of which will require additional skilled workers. He noted that such a merger will not save money, since there is no duplication of programs; he observed that the merger will shift from *ad valorem* funding sources to state funding. Answering questions, Mr. Poley said that, for technical education, a Kansas resident is defined as having a Kansas address. He replied that the merger will result in very little duplication of faculty, that calculation of hours will be adjusted, and mission creep might be a problem. He provided [Attachment 14](#) to illustrate the status of the school's facilities.

Afternoon Session

Dr. Edward Berger, President, Hutchinson Community College/Area Vocational Technical School, and representing the Kansas Association of Community Colleges, gave an overview of the impact of a merger of a technical education institution and a community college. He testified that such a merger significantly increases enrollment, provides broader and more comprehensive technical education than a stand-alone technical college, eliminates duplication, creates more partnerships with business and industry, and raises the quality of learning opportunities. He stated that, following the provisions of 1999 SB 485, the merged institution is eligible for clock-hour funding and (in the case of Hutchinson) contracts with Hutchinson USD for 2.0 funding for secondary technical students. Answering questions, he acknowledged other merged institutions might

encounter different funding problems; he noted that the initial merger required some reduction in staff, but the merger produced such rapid growth that more staff was added within a year or two. He expressed concern about the present inadequacy of state funding, recommending 40 percent local taxes, 40 percent state funding, and 20 percent student tuition. He acknowledged the increased costs of technical education, recommending that all technical education courses be funded at 1.6, increasing to 2.0 over a period of five years, further recommending that all instruction be based on credit hours, not clock hours. Answering other questions, he said service areas were determined in the 1970s and that business partnerships sometimes result in funding for a course. Members discussed funding by clock hours and credit hours. Dr. Berger said funding using his recommendations would add about \$93 million to the cost of technical education.

In the absence of Dr. Blake Flanders, Ms. Duffy presented material on the Regents' process for determining adequate funding for technical education (Attachment 15). She said a study is currently under way to provide asset mapping and gap analysis to determine strategies for continued support of technical education and to identify areas where further support is needed; the final report presenting the study's findings is expected May 2007.

Rich Hoffman, President, Kansas Association of Technical Schools and Colleges, offered comments regarding new funding for technical education (Attachment 16). Noting that 5 percent of higher education dollars goes to technical education, he presented seven key areas related to funding—the need for:

- State-level advocacy for technical education;
- Workforce development coordination;
- Incentives for growth;
- Weighted funding, perhaps using four levels beginning with general education and increasing for the more complex technical courses;
- Expansion through capital improvement based on capital outlay increases;
- Rapid-response funding for business and industry training; and
- Maintaining technical education focus.

The Chairman, referencing an outline provided by staff (Attachment 17), opened discussion regarding preparation for the Commission's report to the Governor and the 2007 Legislature.

Members commented on facets of the outline, suggesting the Mission section be revised. The Chairman suggested that by the next meeting, each member should write a definitive mission statement for Kansas technical education. The suggestion met general approval.

Clark Coco, President, North Central Kansas Technical College Association, presented recommendations of the Association regarding technical education in the state (Attachments 18 and 19). Using the current five technical colleges, the recommendation sets forth a Kansas Technical College System, a statewide agency as an arm of the Kansas Department of Commerce, with a state board drawn from five regional boards, with a clear mission of workforce development, and with funding as a state sub-agency. Answering questions, Mr. Coco said other technical institutions that met certain standards could be included in the system. Members posed questions regarding the proposed system's relation to the Board of Regents (especially regarding articulation), the State Department of Education, and how a sub-cabinet agency would function as an educational unit. One member noted that the Kansas Water Office has an organizational structure similar to the proposed system. Mr. Coco noted the need for maintaining a unified workforce development focus, a need addressed by the proposed system.

The meeting was adjourned at 2:51 p.m. The next meeting is scheduled for Thursday, November 30 (10:00 a.m.) and Friday, December 1 (8:30 a.m.).

Prepared by Gary Deeter
Edited by Sharon Wenger

Approved by Commission on:

November 30, 2006

(date)