



Education that goes to work.

Kansas Community Colleges

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February 12, 2019
House Education Committee

Chair Huebert, Vice Chair Dietrich, members of the committee,

My name is Linda Fund, and as Executive Director of the Kansas Association of Community College Trustees I thank you for the opportunity to testify in opposition to HB 2144.

I am here today representing all nineteen community colleges who are as diverse as the district which elects each of you. They have locally elected trustees who are their governing boards and they have fiduciary responsibilities to the county or taxing district electing them. We have rural and urban colleges and the number of students (headcount) at our colleges ranges from 29,661 to 1,444. What works for one college may not work at all for another. But that is one of the beauties of community colleges. They reflect their own communities.

The real goal of this bill is unclear.

Community colleges are a best kept secret, unfortunately. We educated 114,241 students in AY 2017 and that's more undergraduates than the undergraduate students at public universities in Kansas. We provide 81% of the technical training which prepares students for the workforce. We all embrace the importance of a skilled workforce if Kansas is to grow its economy and encourage business and industry who are here to stay and new business and industry to relocate here. SB 155 has been wildly successful, and the legislature has been incredibly supportive of it. Our students earned 8,236 associate degrees, 2,286 technical certificates and 4,452 short term certificates in AY 2017. Those technical skills and real-life skills change the course of our students' lives.

A bill damaging community colleges hurts low income, first generation and financially challenged students and families, and those who are geographically bound. 81% of community college students are part-time. They may be working and attending college, single family parents working and trying to obtain a skill and an education so they can break inter-generational poverty. Not everyone can move and afford colleges with high tuition and fees. We provide affordable, accessible, quality post-secondary learning opportunities for Kansans. That is not just our vision, it is what we do and what we believe.

Kansas Association of Community College Trustees

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If the goal is to lower local appropriation through property tax, there is an easy way to do that. Go back to the approach before SB 345 in 1999. If students from outside the college's home taxing district attended a community college, the home county of that student paid \$24 per each credit hour and the state paid the same. Local college districts were not penalized by a formula that has the state pay less for student courses taken by students from local taxing districts. Counties got the advantage of a low-cost community college education for their students by helping fund their own students.

There is at least one university and technical college that receive local tax funding, although they do not have taxing authority. Should they face the same restrictions if the problem the bill's sponsor seeks to remedy is equitable or about local tax dollars? They do not have elected governing boards making decisions on behalf of the community who elects them. There is no voting remedy at those colleges and that university. The Technical College Databook reflects this in the local funding section. Interestingly, the University Databook does not contain Revenues.

There is a voting remedy for decisions you do not like at community colleges. Vote Trustees out of office, elect trustees who represent your interest in making the college better, from your perspective, because Trustees hold, in trust, the assets of community colleges for the local taxpayers.

What is clear is that Community Colleges believe in transparency and accountability. We are public entities subject to the Open Meetings law and Open Records Act, and we publish notices of hearing to determine the budget and give constituents the opportunity to come and ask questions and make comments, to seek amendments. I have worked in many public entities, and community colleges are already incredibly transparent and accountable.

The redundant portions of the bill require an inefficient use of scant resources. Our colleges run lean. So, let me begin to show you why it is redundant.

Do you know what currently exists on the Board of Regents website with a link to where it is published on community college websites and that this bill requires published and on a website? New Section 2 - courses that "fully" transfer to public universities. We post it on our websites, too, and you can easily find this at https://kansasregents.org/academic_affairs/transfer-articulation. If you are looking for it, it is under Academic Affairs, Transfer and Articulation, University and College Transfer Information. There is a direct link to each community college on that website. It is great information.

Do you know what is currently on the KBOR website in the Community College Databook? https://www.kansasregents.org/resources/2018_Community_College_Data_Book_WEB.pdf Sections on Finance, Tuition and Fees, Students, Faculty and Staff and detailed comparative information on each community college, with glossaries, 304 pages of information. Exactly what the bill requires in paragraphs a, b, and c of New Section 3.

Section 5 appears redundant, K.S.A. 71-203 already requires community college boards of trustees to approve, and student government representatives to acknowledge, use of student fees to grant student scholarships.

Section 5 also requires revenues to be expended for the purpose for which it was charged. That makes sense, however, what if the fee is charged for a technical licensure exam and the student does not take the exam? That fee is forfeited to the college and this seems to say the college cannot spend it. We surely cannot spend it for what was intended.

Section 6 - Is current law, K.S.A. 77-201 not working? *Twenty-third* says: "Residence" means the place which is adopted by a person as the person's place of habitation and to which, whenever the person is absent, the person has the intention of returning. When a person eats at one place and sleeps at another, the place where the person sleeps shall be considered the person's residence.

K.S.A. 71-406 students at community colleges must have been a resident for at least six months prior to enrollment for the purpose of state entitlements - resident tuition. Subsection b states, "For the purpose of determining the residence of persons enrolling as a student in a community college, residence of minors shall be determined as provided in K.S.A. 72-1046, and amendments thereto, and of adults as provided in subpart Twenty-third of K.S.A. 77-201, and amendments thereto. The state board of regents may adopt rules and regulations governing the determination of residence of students."

Our colleges follow specific rules now. Here is an example of what is on Fort Scott Community College's website. It is what requirements are now:

"Adults enrolling at FSCC who have not been residents of Bourbon County for six continuous months prior to enrollment for any term or session are non-residents (or other county residents) for tuition and fee purposes. Minors' residency is determined by the parents' residency status."

" If you are an out-of-county student who would like to become a Bourbon County resident, you must provide specific documentation. The documentation required to be a Bourbon County resident is listed below. You are required to provide at least 3 of the following items:

1. Receipt from purchase of Kansas license tags dated at least 6 months before term starts.
2. Receipt for payment of Kansas property taxes for the address claimed as the student's abode. The receipt must be dated at least 6 months prior to the first day of the semester.
3. Employment verification or payroll check stubs from a Kansas employer or school attendance commencing 6 months prior to the first day of the semester. (excluding online).
4. Copy of Kansas voter's registration dated 6 months prior to the first day of the semester.
5. Copy of your Kansas driver's license dated at least 6 months prior to the first day of the semester.
6. Utility receipts and/or rent receipts dated at least 6 months prior to the first day of the semester; OR notarized verification from a Kansas resident that the student has resided with him/her/them for at least 6 months prior to the first day of the semester; OR a combination of utility/rent receipts and

notarized verification of residency by a Kansas resident which, combined, cover the 6 month period prior to the first day of the semester.”

An Affidavit of Residency form from the Registrar's Office must be completed and notarized when you submit your documentation. It requires three of the six above referenced pieces of proof for documentation.

Technical Colleges are not required to abide by these residency rules.

Section 4b calls for another 80% tax levy reduction in the “aggregate” amount of state aid. This section appears to take authority from locally elected trustees who have fiduciary authority to ensure fiscal stability. What state aid does this “aggregate” include? Does it include federal flow through money like Perkins? Any state grants a college might receive? What if the college gets a grant for rural broadband? It then must reduce other services? Community colleges do not receive state SB 155 funding until after we deliver the technical courses. How can that timing work, and it would negatively impact a college because funds that can only be used for a specific purpose are received? What happens when health insurance increases, when utilities” increase? If a community college received technical training funds, which it is prohibited from spending on other issues, under this it must reduce local funds? The issues are complex, and we are highly regulated now.

If the county of residence paid \$24 for each credit hour their students are taking at community colleges, even if the state does not match that amount, Representative Williams can solve what appears to be her biggest issue - Sedgwick county students (or parents) not paying as much tuition and fees as she believes they should to attend Butler.

Problematic to the point of damaging college property, which is held in trust for the local district is Section 1.

This section ties the hands of our locally elected Trustees in that they are unable to approve and manage the college budget expenditures if they are over \$250,000 without taxpayer approval and loss of precious time.

It requires a resolution to be passed by trustees, three consecutive weeks of publishing in a newspaper and on the website stating time and purpose of expenditure. Then the college must wait 60 days to see if 5% of registered voters in the district file a petition against the expenditure and if so, this stops the expenditure until the next general election. If not approved, the same or similar expenditure cannot be adopted by resolution for one year after the filing of the petition.

We have no problem with notice. We provide it for all open board meetings. We publish notice of the meeting where the budget is approved.

Let me give you some actual examples of this section’s unworkable impact.

Example: A hail storm damaged every roof on a community college campus, and they had \$7.2M worth of damage. The locally elected Trustees would have had to pass a resolution and allow the taxpayers to decide in a protest period or by vote if they could repair those roofs. An 81 day wait while damage continues worsening the problem, increasing the cost, and classes might not be able to be held.

Example: When the gym floor flooded twice in the same summer because the city sewer system backed up and had to be replaced, Trustees would have had to wait 81 days, have essentially gotten approval from the taxpayers to clean things up and replace the gym floor two times. Meanwhile there is human waste in the building scattered everywhere.

Also problematic and potentially damaging is Section 8. Our colleges are governed by locally elected trustees. Voters determine who will hold the college in trust for the community. If a voter does not like a direction the college is going, he or she votes against sitting Trustees and finds citizens to stand for election who represent his or her views.

Section 8 would essentially allow 5% of the voting public to force public elections on an annual basis to determine the authorized expenditure budget of each community college. Trustees are elected specifically to determine the necessary budget. The 5% of the public who could force an election on the proposed budget are not required to know anything about the financing, operations or accreditation of the college.

The timelines provided in the bill for publication and possible election could delay the approval of the budget for months. A special election can be costly for the tax payers. The timing of the next general election may extend the decision on the budget by over a year. It virtually keeps local elected governing boards from carrying out their responsibilities to protect the students and college assets. Yet, statute says they shall have custody of and be responsible for the property of the community college and shall be responsible for the operation, management and control of the college. K.S.A. 71-201.

If the budget resolution vote fails, the college has to wait 9 months before they can publish another resolution. How can the college function in that situation without a budget? Would a business operate in that manner? Can it pay employees, pay utility bills and benefits, educate students without a budget? All very good questions.

Here is how the current budget process currently works:

The Trustee Board must meet by August 1 to make a proposed budget. K.S.A. 79-2927; prior to filing the budget with the County Clerk, the Board must meet to answer and hear objections of taxpayers and consider amendments to the proposed budget. At least ten days notice of the time and place of the meeting must be published together with the essential items of the proposed budget on a state designated form. K.S.A. 79-2929;

The budget hearing cannot be held less than ten days prior to the date the board certified its annual levy to the county clerk. K.S.A. 79-2933;
Certification of the budget must occur by August 25 of each year. K.S.A. 79-1801.

It is an open process controlled by statute. But Section 8 would force an unnecessary overlay of conflicting requirements. A college cannot wait 60 days and meet the timing requirements. But even worse would be to create a situation with no budget. It would impede fiduciary responsibility, and students' education plans.

Some provisions add cost and delay without benefit. In an Internet age, print publishing over and over, as this bill envisions adds costs and may not reach the very persons who want notice. Elections over a 5% disagreement, adds costs.

This bill discounts and could damage the collective positive impact of Kansas community colleges for the benefit of individuals citizens and the state as a whole.

It also discounts the documented economic impact of community colleges on their local communities. Community colleges are major employers in our local communities. If this bill ties the colleges' Trustees' hands, and no budget is adopted because of these rules, can employees be paid, will jobs be lost, and will utilities be shut off? Who loses? The students, the property owners, and also the local taxpayers.

If the county's voters do not like the decisions being made on their behalf, we ask that you let the voters speak. They can vote Trustees out of office and vote new Trustees into office.

I want robust community colleges helping students in new and engaging ways to have success. I want them to bolster our communities and be community hubs. I also want their entrepreneurial approach to continue to work and for their business and industry partnerships to be wonderfully successful. I hope you join me in these desires.

I will use just one of our colleges, Barton, to illustrate the social benefits for their local tax supporting constituents, businesses, and communities. The benefits include a trained labor force, that contributes to the tax base, lessened reliance on social services, and a labor pool that is less likely to migrate. **Community Colleges are active contributors to the** economic development of their region. Their recent Economic Impact Study, to be certified by the Docking Institute and public policy research center affiliated with FHSU, indicates that in 2017, Barton received approximately \$8.1 million dollars in local property taxes from Barton County. Through the combined in-county **purchasing of the College, College student expenditures, and wages for employees that reside in Barton County, the total direct economic impact was \$22.3 million.** If you utilize a multiplier of 2, which is conservative (the Congressional Budget Office uses 2.2), the Barton County impact is in the neighborhood of \$44.6 million. This accounts for a ratio of 1 to 5.5. Take that times 19 and you will see the value brought to the counties by the colleges is a great return on investment.

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Come to our campuses and see your community colleges. We do it all, efficiently, affordable and with a high degree of regulation now.

Please do not pass a bill that damages an important Kansas institution - Kansas Community Colleges or students.

Respectfully submitted

On behalf of Kansas Community Colleges,



Linda Fund, Executive Director
Kansas Association of Community College Trustees (KACCT)

