

MINUTES OF THE HOUSE HIGHER EDUCATION.

The meeting was called to order by Chairperson Lisa Benlon at 3:30 p.m. on January 17, 2001 in Room 231-N of the Capitol.

All members were present.

Committee staff present: Carol Rampey, Kansas Legislative Research Department
Paul West, Kansas Legislative Research Department
Stuart Little, Kansas Legislative Research Department
Avis Swartzman, Office of the Revisor of Statutes
Dee Woodson, Committee Secretary

Others attending:
See attached list.

Chairperson Benlon opened the meeting by asking the staff to brief the Committee on **SB 345** that was passed two years ago. Carolyn Rampey, Principal Analyst for the Legislative Research Department, said that **SB 345** was passed after many years of studies being done, including studies of dividing the state into regions for purposes of taxes to support community colleges so the taxes weren't just confined to the counties where the colleges were located. She testified that there were also some studies to divide the Board of Regents, in which part of it would be for the universities and part for the community colleges. She further stated there were numerous studies made over several years that could possibly be made to come up with every kind of solution of how to better coordinate and better fund post-secondary education. (Attachment 1)

Ms. Rampey further explained that in the 1999 Session there seemed to be sort of the political will to get it done that year. She said **SB 345** was a bi-partisan effort by both the House and the Senate, it had the support of the Board of Regents, and the support of the institutions that were affected. She described to the Committee what the bill did, so they could have a sense of how the higher education landscape presently looks. She explained the bill made some major changes which included the change in the Board of Regents, how some of the institutions were supervised and coordinated, and funding for the community colleges and Washburn University. She said in addition the legislation will institute performance funding within a few years and tie money directly to whether institutions meet established guidelines or standards for performance.

Ms. Rampey said **SB 345** abolished the Board of Regents that existed prior to July 1, 1999, and in its place created an almost identical Board, as this was a constitutional Board and the statutes then add further specifications about its composition and so on. She further explained that what that meant was the terms of the current Board members ended, and in order to insure continuity the Governor re-appointed those members whose terms were not up. Ms. Rampey clarified that the bill gave additional duties to the new Board, but it did not change the relationship between the Regents to the state universities in so far as how they are governed. She said that what did change was the supervision of the community colleges, the area vocational schools and the technical colleges; which all have their own local governing boards and had previously been under the supervision of the Board of Education. They were transferred to the Board of Regents, and that was in an effort to move all post-secondary schools under one Board so that coordination would be enhanced. She referred the Committee to the organizational chart in her handout, and explained the chart for responsibility areas and supervision breakdown.

Ms. Rampey went over the three commissions into which the new State Board was divided and consists of one for community colleges, area vocational schools, and technical colleges; one for the six state universities; and one for higher education coordination. She referred the Committee to Attachment 1 within her written testimony which outlined the specific duties of the three commissions. She also reviewed the history of funding and state aid for community colleges, and how it was changed with the passage of **SB 345**. She referred the Committee to Attachment 2 of her written testimony, and said that this bill was a property relief bill, and that was how it was

promoted and why it was supported. Ms. Rampey had various tables included in her written testimony relating to the community colleges for their mill levies, property tax revenues, and state funding for FY 2000 and FY 2001. She pointed out that the mill levies had been reduced in 14 of the community colleges, and eight of them reduced them by more than two mills. The five that didn't reduce their mill levies kept the increase to under one mill. She also clarified the table showing the increased assessed valuations, and said that of the 14 community colleges that reduced their rates, five actually generated more property tax revenue than the year before. Ms. Rampey explained the table on State Funding for Community Colleges FY 2000 and FY 2001. She said that the basis for Washburn University operating grant was the same as that for community colleges, and will increase from 50% of the State General Fund appropriation for an FTE lower-division student at the regional universities in FY 2001 to 65% in FY 2004. She also stated that the out-district tuition from counties and townships in Shawnee County outside the City of Topeka would be phased out beginning in FY 2001 and ending in FY 2004, and will be replaced by state aid as part of the operating grant.

Ms. Rampey related that the Regents' faculty salaries will increase by the same amount that the community colleges will receive from operating grants, excluding state aid replacement for county out-district tuition. She said this enhancement would end in FY 2004 when the community college operating grant was fully implemented. She referred the Committee to Attachment 3 of her written testimony, and asked Paul West from the Research Department staff to explain the table in regard to the Governor's recommendation. Mr. West went over the figures in the table, and said that Columns 2 and 4 should be corrected to read FY 2001. Questions and discussion followed regarding the faculty salary increases, history of the bill, and Johnson County's concession on the funding in order to be fair with other community colleges.

Ms. Rampey continued with her overview by referring the Committee to page 5 of her written testimony, and explained performance funding and the statutory charge to the Legislative Educational Planning Committee to monitor the Kansas Higher Education Coordination Act and make annual reports to the Legislature.

The Chair opened the meeting up for general questions and discussion. Representative Kuether asked Ms. Rampey about **SB 08** regarding the operating grant bill for Washburn University. Ms. Rampey referred the Committee to page 3, middle of the last paragraph, concerning the community college funding mechanisms, and Washburn wants to make it the higher of the two prior years instead of the current and prior year. She said the community colleges have a provision that lets the Board of Regents do an adjustment at the very end of the year when they finally know what the enrollment was for that year. She stated Washburn didn't like the fact a college would have to wait till the end of the year to find out what they are going to get so they want to use the enrollment of the two prior years that are known numbers and that way the college knows going into the year which year was the higher. She added that in terms of state aid it really has no long term effect, and it's an administrative thing. She said the Regents did not oppose it, and the community colleges are not interested in making a change in their funding formula because they like theirs the way it is now.

Representative Storm asked for clarification regarding the difference between the vocational technical colleges' two year associate's degrees and the Certificates of Completion awarded at area vocational technical schools. Ms. Rampey responded that the four technical colleges were previously area vocational technical schools that got comprehensive, and those are Manhattan, Flint Hills, Wichita, and Beloit. She added that Goodland would be added to that list after passage of **HB 2001**. She explained that the area vocational schools did not offer the general education part that would entitle them to be an associate degree institution, and they awarded Certificates of Completion. These schools had articulation agreements with community colleges and four year institutions so their students could start with them and have to transfer to get a degree.

Questions continued from Committee members regarding the merging of Pratt Community College with Fort Hays State University which is being handled by the Commission on Coordination, funding for area vocational schools not resolved in **SB 345** (the institutions report that they are presently in a crisis situation due to enrollment growth), and the vocational adjustment that shifted money from Johnson County to the community colleges as explained in Ms. Rampey's written testimony on page 4.

Chairperson Benlon announced that the next meeting would be on Monday, January 22, and the Committee would be having hearings on three bills which were shown on the copied agendas handed out to each Committee member.

The Chair adjourned the meeting at 4:30 p.m.