

MINUTES OF THE HOUSE VISION 2020 COMMITTEE

The meeting was called to order by Chairman Tom Sloan at 1:30 p.m. on March 15, 2010, in Room 785 of the Docking State Office Building.

All members were present except:

Representative Sean Gatewood- excused
Representative Raj Goyle- excused
Representative Tom Hawk- excused
Representative Joe Seiwert- excused
Representative Don Svaty- excused

Committee staff present:

Art Griggs, Office of the Revisor of Statutes
Doug Taylor, Office of the Revisor of Statutes
Corey Carnahan, Kansas Legislative Research Department
Lauren Douglass, Kansas Legislative Research Department
Mary Koles, Committee Assistant

Conferees appearing before the Committee:

Alan D. Conroy, Legislative Research Department

Others attending:

See attached list.

Chairman Sloan reviewed a draft of the Committee's letter to the Board of Regents, President and CEO Reginald L. Robinson and incoming CEO Andy Tompkins, requesting additional information; the draft letter was delivered to committee members a week before the meeting. The Chairman asked if there were questions and for additional input for the letter and suggestions. Representative Deena Horst, Doug Gatewood, and Barbara Bollier responded. The letter was revised and sent to the Board of Regents, LEPC, and each committee member on March 16, 2010 (Attachment 1).

The Chairman discussed Substitute for House Bill No. 2428 AN ACT relating to water; providing for a water data repository; amending K.S.A. 82a-910 and K.S.A. 2009 Supp. 2-1915, 82a-1602, 82a-1603, 82a-1604, 82a-1605 and 82a-1606 and repealing the existing sections. Essentially, the bill provides the Kansas Water Office and State Conservation Commission more flexibility and allows the State to be more aggressive in meeting Kansas' water needs - present and future - and authorizes/establishes a data library for water quality and quantity, and stream bank stabilization information. Brief discussion followed the presentation; Earl Lewis, Kansas Water Office, was in the audience and provided one or two very specific details as necessary.

Vice-Chairman Pat George moved to take HB 2428 from the table. Representative Mario Goico seconded the motion. The motion passed.

Vice-Chairman Pat George moved and Representative Lee Tafanelli seconded the motion that Substitute for House Bill No. 2428 be adopted. The motion passed. Questions and comments were asked or made by Representatives Barbara Craft, Deena Horst and Barbara Bollier.

Action on:

HB 2428 - H Sub for H 2428 by Committee on Vision 2020- Act relating to water and a water data repository

Vice-Chairman Pat George moved that HB 2428 - H Sub for H 2428 be recommended for passage. Representative Barbara Craft seconded the motion. The motion passed.

Allen Conroy, Director, Legislative Research Department, presented a series of graphs depicting state general fund revenues and selected state general fund revenues (income, sales and property taxes) for fiscal years 2000-2010 and projected revenues for both for fiscal years 2011-2020. Graphs showing total state general fund expenditures (2000-2010) and projected expenditures (2011-1020) were provided along with charts displaying specific expenditures. Expenditures are projected to exceed revenues through the coming decade.



CONTINUATION SHEET

Minutes of the House Vision 2020 Committee at 1:30 p.m. on March 15, 2010, in Room 785 of the Docking State Office Building.

Mr. Conroy noted that K-12 education accounted for around 50% of the expenditures through 2010 and that SRS, Health Policy and Aging were the next largest recipients. During 2011-2020, K-12 expenditures will be stable while expenditures for Human Services, Kansas Public Employee Retirement System (KPERS), and Special Education will increase. Mr. Conroy also examined property taxes (school districts, counties and cities) and the state highway fund (revenues, expenditures, and outstanding debt which will be reduced to around \$500,000 by 2020). Additional graphs showed property tax expenditures required to fund ongoing maintenance and eliminate deferred maintenance issues at Regents institutions by 2020 and a history of KPERS (Attachment 2).

Following Mr. Conroy's presentation, questions were asked and comments made by Chairman Sloan and Representatives Pat George, Kay Wolfe, Lee Tafaelli, and Deena Horst. The Chairman thanked Mr. Conroy for his presentation.

Chairman Sloan thanked the committee members for their attendance and participation in Vision 2020 this session. He noted that their work and study was both needed and productive for the future.

No further meetings are scheduled.

The meeting was adjourned at 2:40 p.m.

Guest List

House Vision 2020 Committee

March 15, 2010

Name	Client/Authority
Margonne Wenly	EhU
Gene Meyer	KANSAS REPORTER
Earl Lewis	KWO
Dick Cantel	MACC
Bernie Koch	KEPC
Judith Schock	KSDA
Mark Desetti	KNEF

STATE OF KANSAS

COMMITTEE ASSIGNMENTS
CHAIRMAN: VISION 2020

MEMBER: ENERGY AND UTILITIES
GOVERNMENT EFFICIENCY
AND FISCAL OVERSIGHT
JOINT COMMITTEE ON ENERGY
AND ENVIRONMENT



TOPEKA

HOUSE OF
REPRESENTATIVES

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REPRESENTATIVE, 45TH DISTRICT
DOUGLAS COUNTY

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tom.sloan@house.ks.gov

March 16, 2010

Reginald Robinson, CEO
Board of Regents
1000 SW Jackson Street, Suite 520
Topeka, KS 66612

Andy Tompkins
Board of Regents
1000 SW Jackson Street, Suite 520
Topeka, KS 66612

Requests of the Board of Regents by the Vision 2020 Committee

The Vision 2020 Committee does not initiate legislation during the same year in which agencies appear to discuss their strategic plans. Instead, the Committee identifies areas of interest and concern and requests the agencies and their stakeholders to study the issues raised and report back to the Committee during the next legislative session. Legislative initiatives, if appropriate, are introduced at that time.

Following are some areas of interest and concern to Committee members that we commend to you for study and we request that you report back to us in January 2011. We look forward to being more active partners with the Board of Regents and the higher education institutions in Kansas in meeting the educational needs of our population.

Over the next decade, students will increasingly take courses on-line from multiple institutions, institutional infrastructure maintenance will remain problematic, and large numbers of faculty will be retiring. Simultaneously, the workforce need for educated and trained persons will significantly increase – most likely in areas that did not exist in the year 2000 – and the pace of curriculum change will accelerate.

Granting of degrees and certificates and total credit hours taken have traditionally been indicators of institutional success. Similarly, teaching has been delivered in classroom settings to full-time students. Those enrollment and delivery characteristics are changing, infrastructure demands may change, and faculty skills to meet student expectations may change. Delivering educational opportunities to non-traditional students, with non-traditional expectations, to meet employment opportunities heretofore unimagined offer the Legislature and higher education professionals the chance to more effectively price and deliver learning options and outcomes.

The Vision 2020 Committee members recognize that the Legislature should not attempt to micromanage institutions or higher education policies. Committee members also recognize a

responsibility to the people of Kansas to monitor higher education policies. Committee members request the Board of Regents and Institutional Administrators develop proposals in the following areas:

Tuition: Differential Tuition Rates - Students increasingly are informed "shoppers" of educational opportunities and increasingly technologically savvy. Educational institutions have traditionally charged the same tuition/fees rates for every curriculum, course, and student. While that is slowly changing with surcharges for some higher cost programs, tuition remains essentially the same per credit hour regardless of degree program within each institution.

Request #1: Please provide the Committee or successor committee a comprehensive description of anticipated tuition strategies for the three types of governed and coordinated institutions for the next decade. Such strategies should reflect costs associated with, but not be limited to, on-line versus on-campus course offerings, and technology costs associated with delivering on-line courses versus savings in academic, parking, housing, health care, and recreation facilities. Please address in your response implications of demographic projections that show a declining population of college-age Kansans over the next decade.

Other factors such strategies should address include time-of-day pricing of courses to more fully utilize facilities and resources, cost of providing the curriculum, and prospective employment opportunities upon graduation/certification.

Degree Requirements: Rate of Movement to Degree/Certificate – Traditionally 4-year degree programs have revolved around 120 credit hour requirements within a semester system. **Request #2:** In order to attract increased numbers of enrolled students, increase graduation rates, and increase student success opportunities, please investigate and report strategies by which students may accelerate their academic careers including changing the focus from semester-based courses to skill/knowledge based completion and assessment. If students can learn earlier and pass proficiency/knowledge tests, should they receive credit and take additional courses? In some aspects, this is the format for many on-line courses with flexible testing and for students who test out of courses based on high school or other knowledge.

Request #2a: SB 345 required coordination of articulation agreements between Regents' institutions. Please report how well that coordination has been accomplished – particularly whether all institutions universally accept the same courses from each other institution.

Request #3: Following the above question regarding the pace by which students may complete degree/certificate programs, please investigate and report strategies by which the number of credit hours necessary to meet graduation requirements are evaluated. For example, is 120 credit hours still the appropriate number for a person to earn a degree that meets both general subjects an educated citizen should know and the career path preparation that is appropriate in a rapidly changing technology-based economy?

Funding Streams: Infrastructure – **Request #4:** Committee members are very concerned about the inability of higher education institutions to maintain facilities and request a study and report on the desirability and feasibility of identifying a dedicated funding stream to maintain infrastructures and upgrade facilities to meet challenges and opportunities. Specifically, should consideration be given to increasing the statewide Educational Building Fund levy, should community colleges be allowed to seek funding in counties in which satellite campuses are located, and should technical colleges have authority to seek funding within their "home" county and areas of primary service? The Committee encourages consideration of additional funding options – no matter how innovative – so that the Legislature can be

better engaged with institutional leaders and the Board of Regents to meet the educational needs of the next decade and beyond.

The Midwest Higher Education Compact (MHEC) offers a building insurance program that benefits educational centers in other states. Johnson County Community College is the only Kansas institution that participates. The Kansas Insurance Commissioner has reservations about the prudence of changing Kansas Statutes to permit Regents institutions to participate in the MHEC insurance program. **Request #5:** Please analyze potential benefits and risks to Regents directed and coordinated institutions, and ultimately the Kansas taxpayer, of permitting institutions to pursue the MHEC insurance program.

Accountability: Retention and Graduation Rates – The Committee is aware of discussions between Regents and institutions regarding data necessary to more effectively measure the relationship between admissions and graduation. We believe that the ability to track students over their lifetime of enrollment(s) and progress – graduation(s) and lifetime learning experiences – is important for institutions and state policy-makers to know how best to invest in higher education opportunities.

We also believe that closer coordination between Regents' governed and coordinated institutions with the Departments of Labor and Commerce to assist persons seeking unemployment or other benefits to explore learning/career opportunities through the technical and community colleges.

Request #6: The Committee requests a report regarding implementation of programs that permit, within federal privacy guidelines and requirements, the tracking on a systemic basis, rather than on an individual institution basis, so that education policy-makers can make better decisions regarding the effectiveness of the integrated higher education system. Furthermore, the Committee encourages implementation of programs with the Departments of Labor and Commerce to facilitate identification of persons who will benefit from job training opportunities and making relevant information available to them.

Private Post-Secondary Institutions: Committee members were struck by two issues regarding the role of private post-secondary institutions within the State's higher education delivery system: 1) the absence of articulation/transfer agreements for courses taken in both the academic and vocational sectors to appropriate Regents coordinated institutions, and 2) inclusion of personal and aggregate data on Kansans pursuing post-secondary educational opportunities and their success/non-success rates as we examine retention/graduation rates on a statewide systemic basis.

Request #7: With almost 50,000 Kansans currently attending private career education colleges (almost equal to the number attending KU and KSU), we are concerned that opportunities for collaboration are not being adequately pursued. We encourage the Board of Regents and staff to review and report back to us the role that private post-secondary institutions have in job training and identify ways in which Regents' coordinated educational programs can benefit from shared resources and strategic planning to ensure that Kansas employers/workforce needs are met. Specifically, is the Board willing to have the System Council of Chief Academic Officers and Academic Officers from the private sector develop a process for private post-secondary schools and Regents' institutions on a course credit transfer agreement to better ensure a seamless transition for students; and is the Board willing to have the Kansas Post-Secondary Technical Education Authority and the private post-secondary technical institutions collaboratively identify best educational practices to meet employer needs and to stimulate economic growth in Kansas?

Technical Training: Committee members are particularly interested in the vocational programs with highest employer demand and enrollment waiting lists. **Request #8:** We specifically want to know: 1) what are the 10 programs most in demand by students and employers for which there are inadequate resources to meet the demands, 2) why are the student/employer needs not being met in a timely fashion, and 3) what is the plan to address those needs.

Committee members are interested in whether the use of distance education technologies can and should be used to increase the number of persons enrolling in health care and other key state need training/education programs. **Request #9:** Specifically, is there a process within the Regents systems for technical programs to be offered through other locations (e.g., community colleges, technical collages, other public facilities) via the Internet or by other means to meet the State's needs for technically trained persons? If there is, how can it be expanded to more effectively meet the needs of more Kansans? If there is not such a program, should one be created?

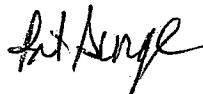
Committee members also are interested in the subjects of endowments and national program rankings. While great attention is paid by the public to the rankings of Kansas' athletic teams, those of us interested in the economic well-being of our state are more (or at least equally) concerned with the quality of educational opportunities offered. **Request #10:** What evaluation process is used by the individual institutions to identify those degree programs/departments best situated to achieve national prominence in terms of teaching and research excellence? What process is used by the individual institutions to identify those programs in need of additional resources to achieve greater prominence/excellence? What process is used by the individual institutions to identify programs/departments which will be unable to achieve such national prominence/excellence and what steps are involved in shifting resources devoted to such programs to those better positioned to achieve excellence with benefits to the people of Kansas? Similarly, what role does the Board of Regents have in evaluating or reviewing program evaluations at the individual institutions? **Request #11:** What process do the individual institutions and the Board of Regents have to expand the endowments of the respective institutions? Do the Board of Regents and institutions have plans to legislatively address restrictions on the use of funds contributed to institutional endowments (e.g., after 10, 20 years)?

Conclusion: Committee members recognize that the questions posed are complex and will require thought by Regents, staff, and institution leaders and staff. We reiterate that our desire is to ensure that for the next decade and beyond educational opportunities for all Kansans remain available, affordable, and relevant to employment opportunities. We look forward to receiving your responses on the first day of the 2011 legislative session and to further discussions between higher education stakeholders and legislators. As a courtesy, you may wish to also provide copies of the responses to LEPC members.

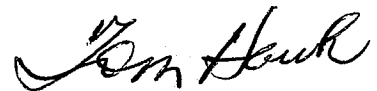
For the Vision 2020 Committee Members:



Rep. Tom Sloan
Chairman

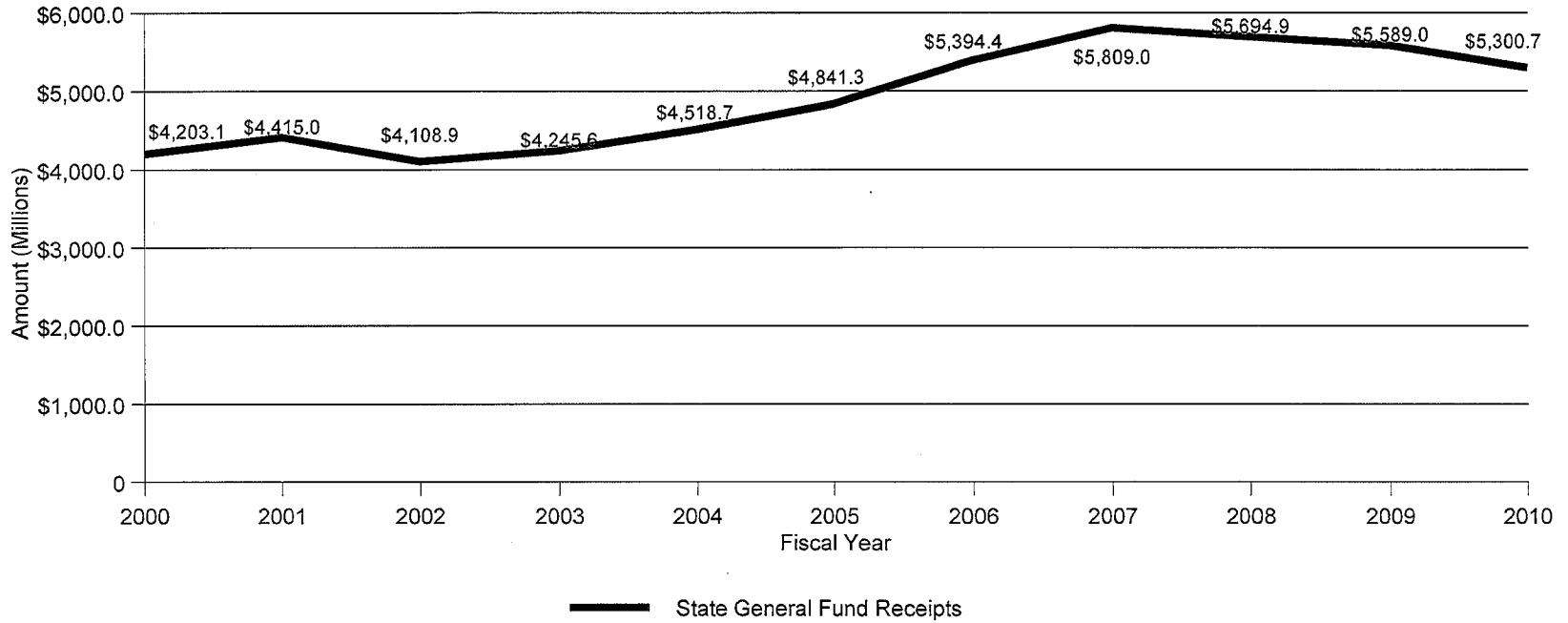


Rep. Pat George
Vice Chairman



Rep. Tom Hawk
Ranking Minority Member

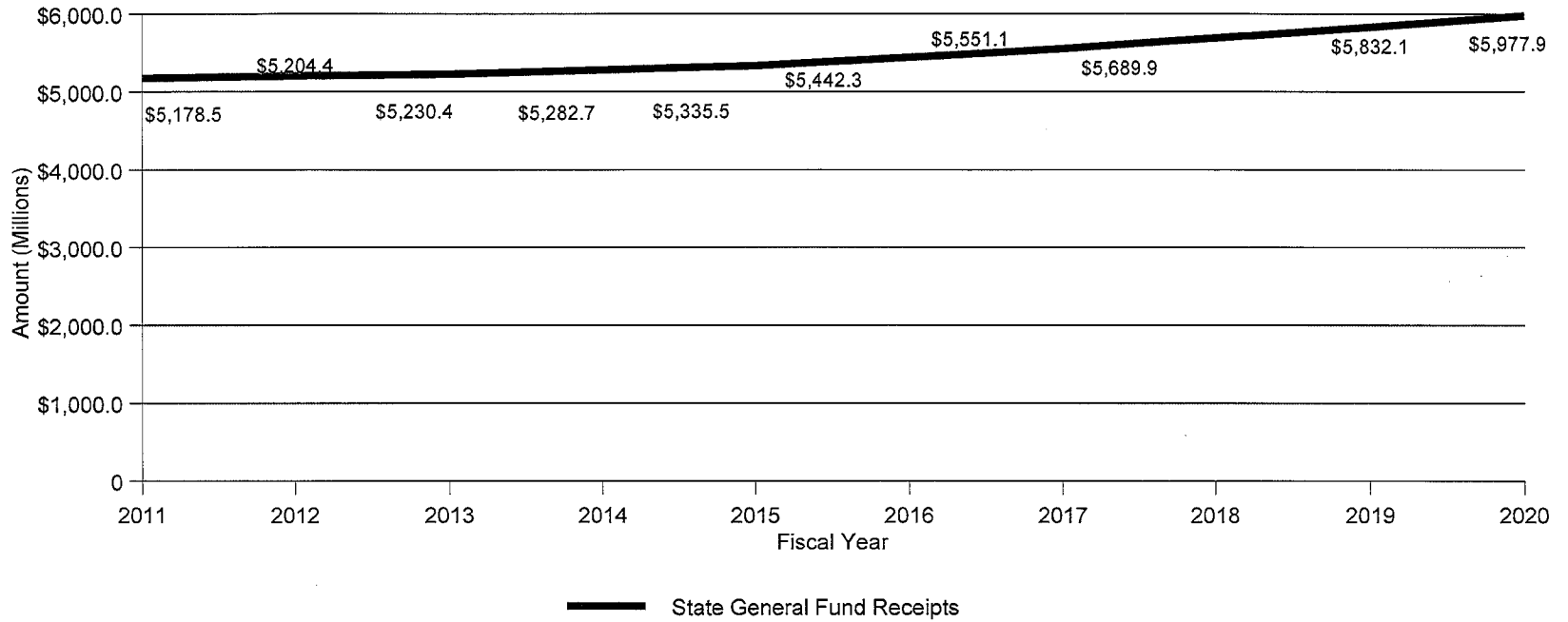
STATE GENERAL FUND REVENUES
FY 2000-FY 2010
(In Millions)



Prepared at the Request and Direction of Representatives Tom Sloan, Pat George, and Tom Hawk

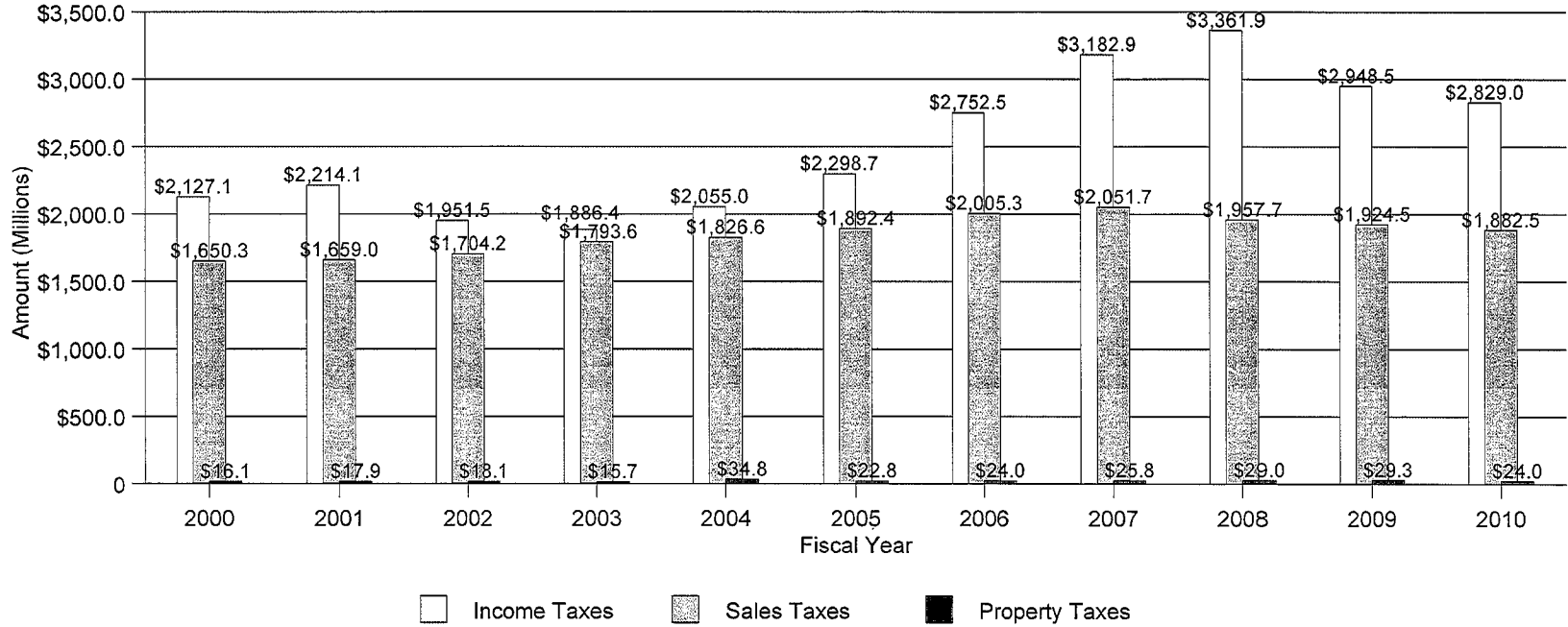
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**PROJECTED STATE GENERAL FUND REVENUES
FY 2011-FY 2020
(In Millions)**



Prepared at the Request and Direction of Representatives Tom Sloan, Pat George, and Tom Hawk

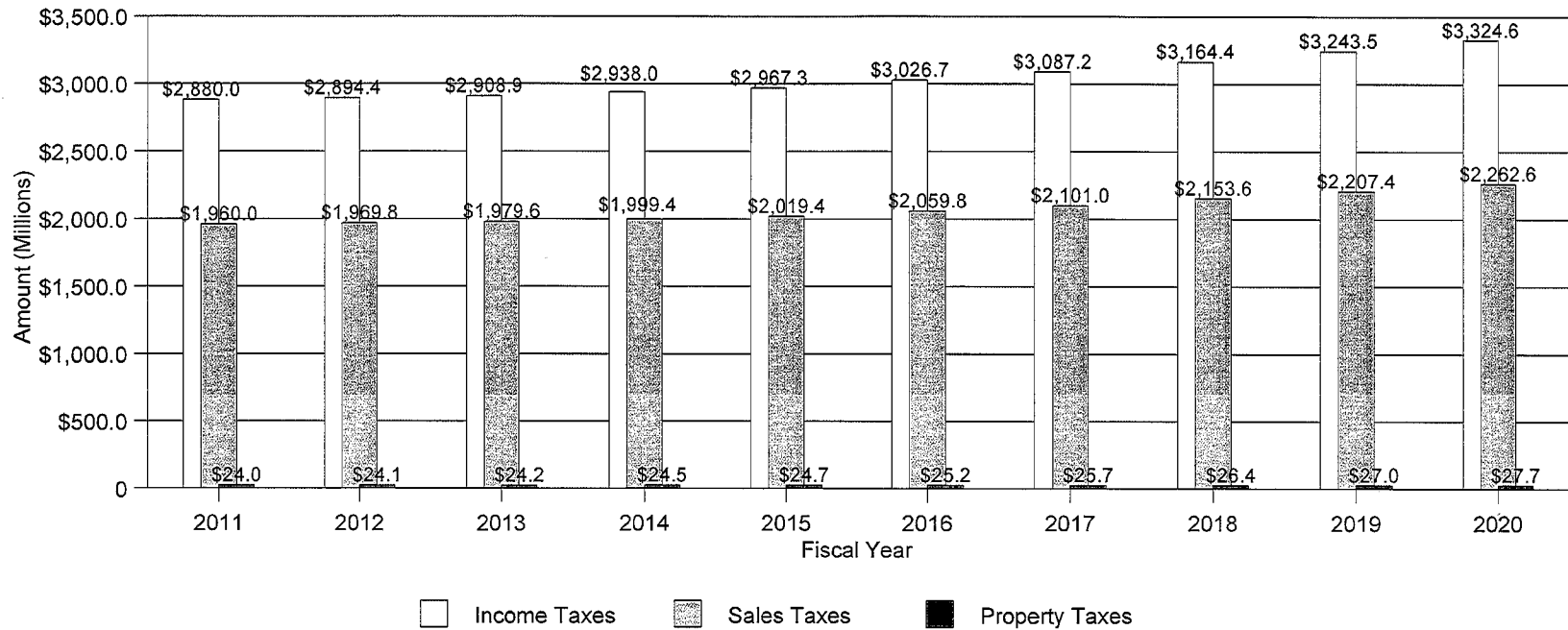
SELECTED STATE GENERAL FUND REVENUES FY 2000-FY 2010 (In Millions)



Prepared at the Request and Direction of Representatives Tom Sloan, Pat George, and Tom Hawk

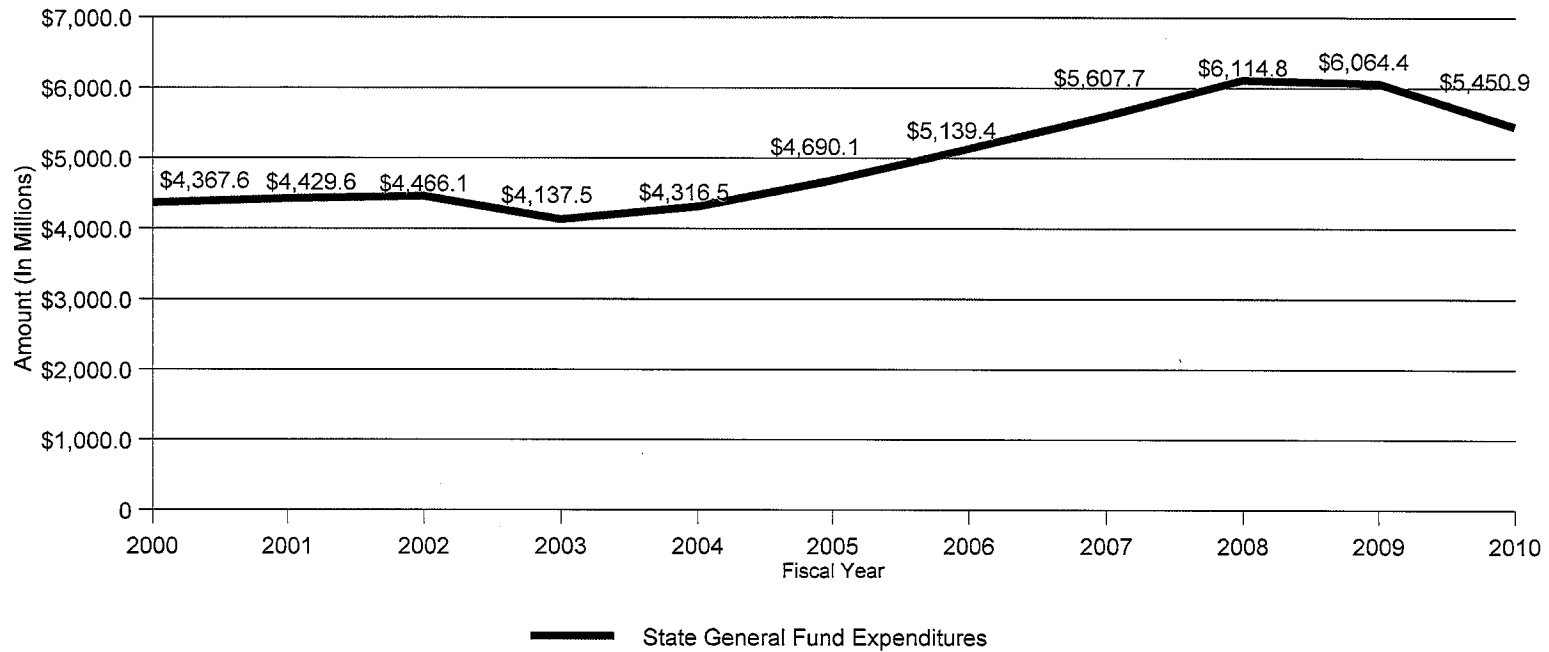
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PROJECTED STATE GENERAL FUND REVENUES FROM SELECTED SOURCES FY 2011-FY 2020 (In Millions)



Prepared at the Request and Direction of Representatives Tom Sloan, Pat George, and Tom Hawk

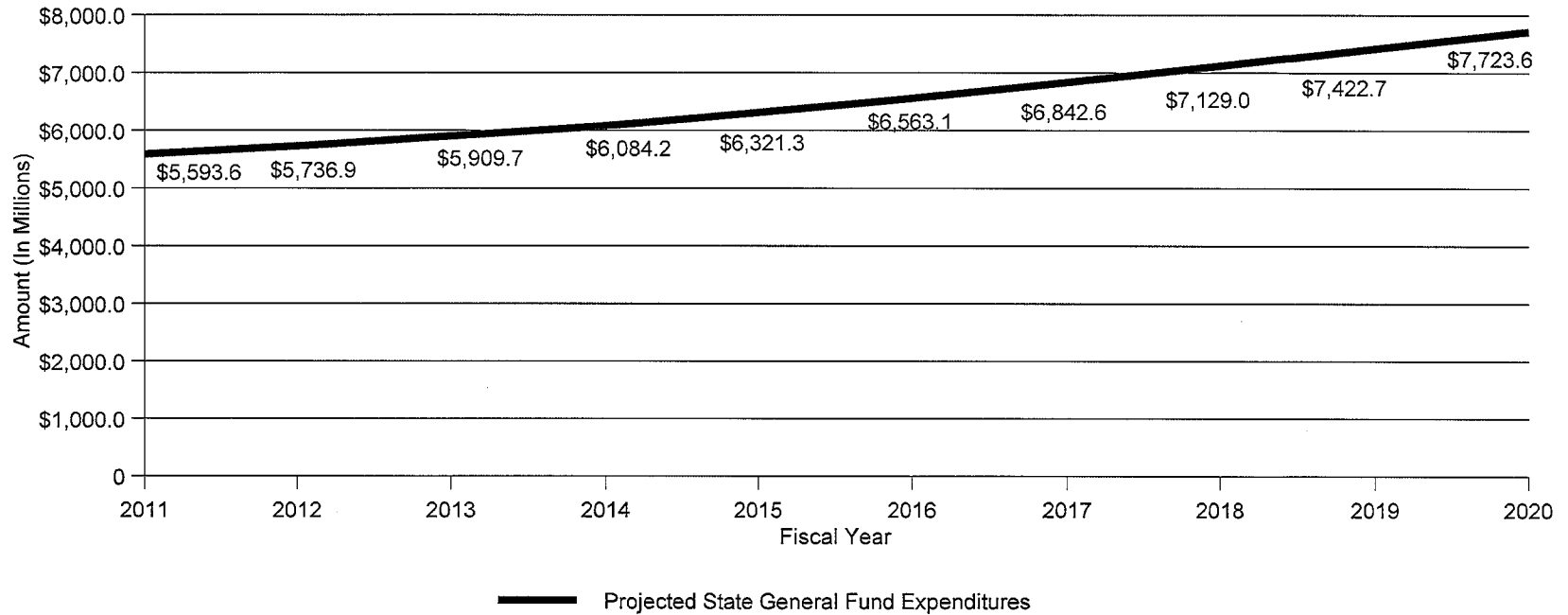
STATE GENERAL FUND EXPENDITURES
FY 2000 - FY 2010*
(In Millions)



Prepared at the Request and Direction of Representatives Tom Sloan, Pat George, and Tom Hawk

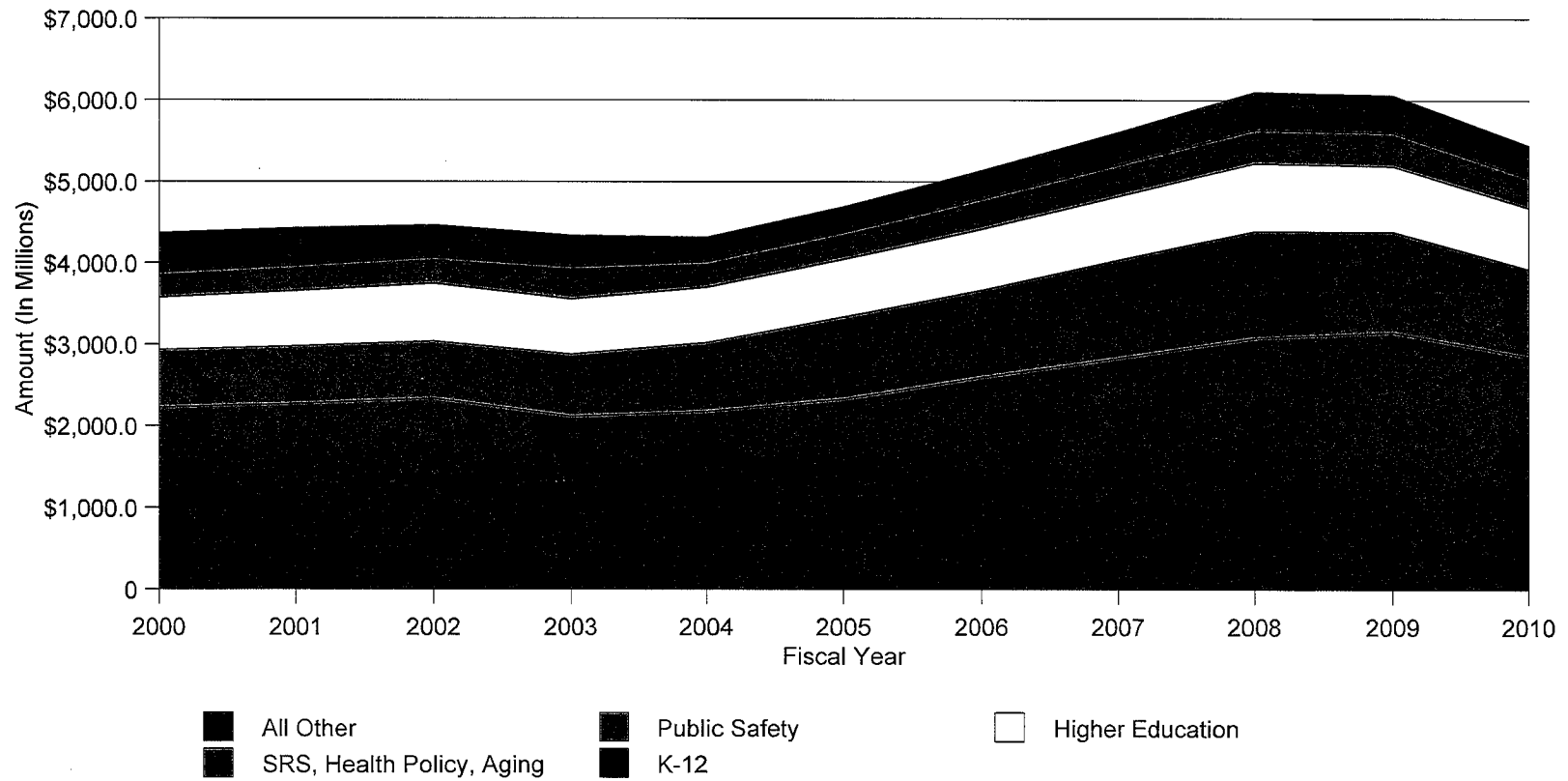
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**PROJECTED STATE GENERAL FUND EXPENDITURES
FY 2011 - FY 2020*
(In Millions)**



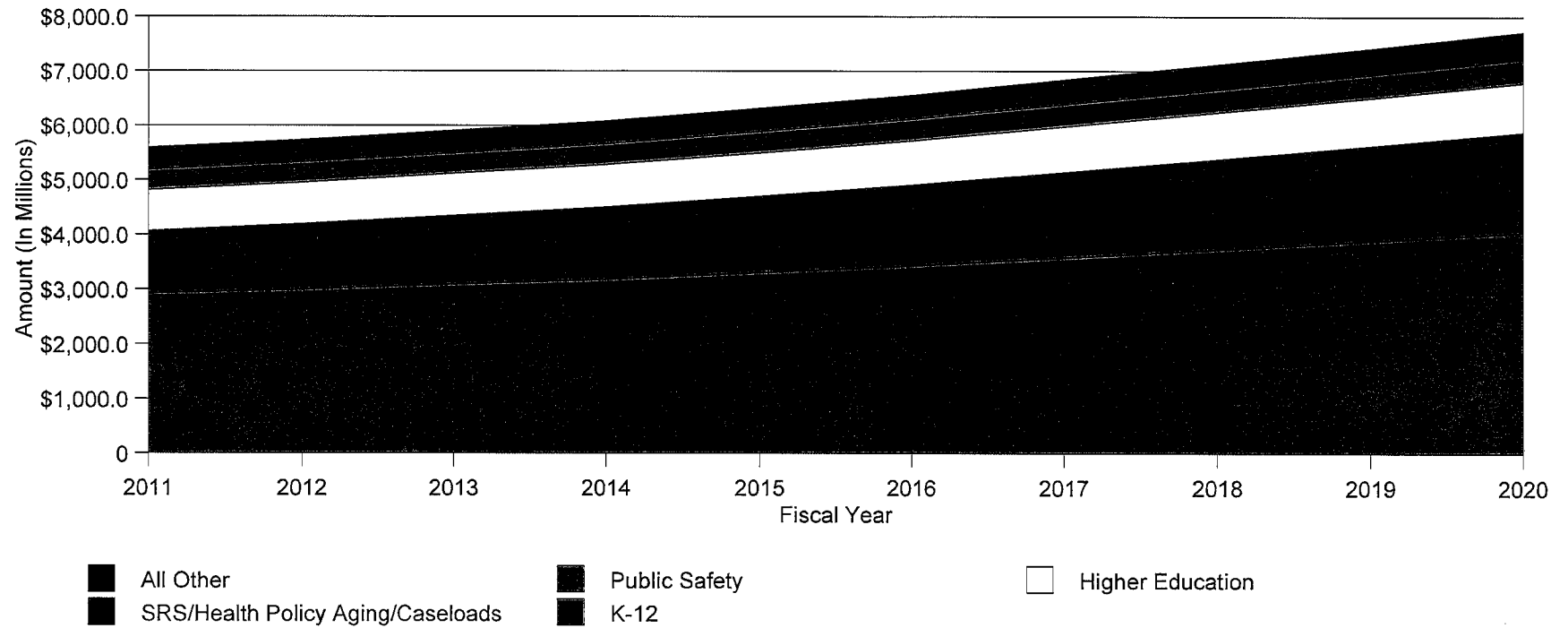
Prepared at the Request and Direction of Representatives Tom Sloan, Pat George, and Tom Hawk

STATE GENERAL FUND EXPENDITURES FY 2000 - FY 2010*

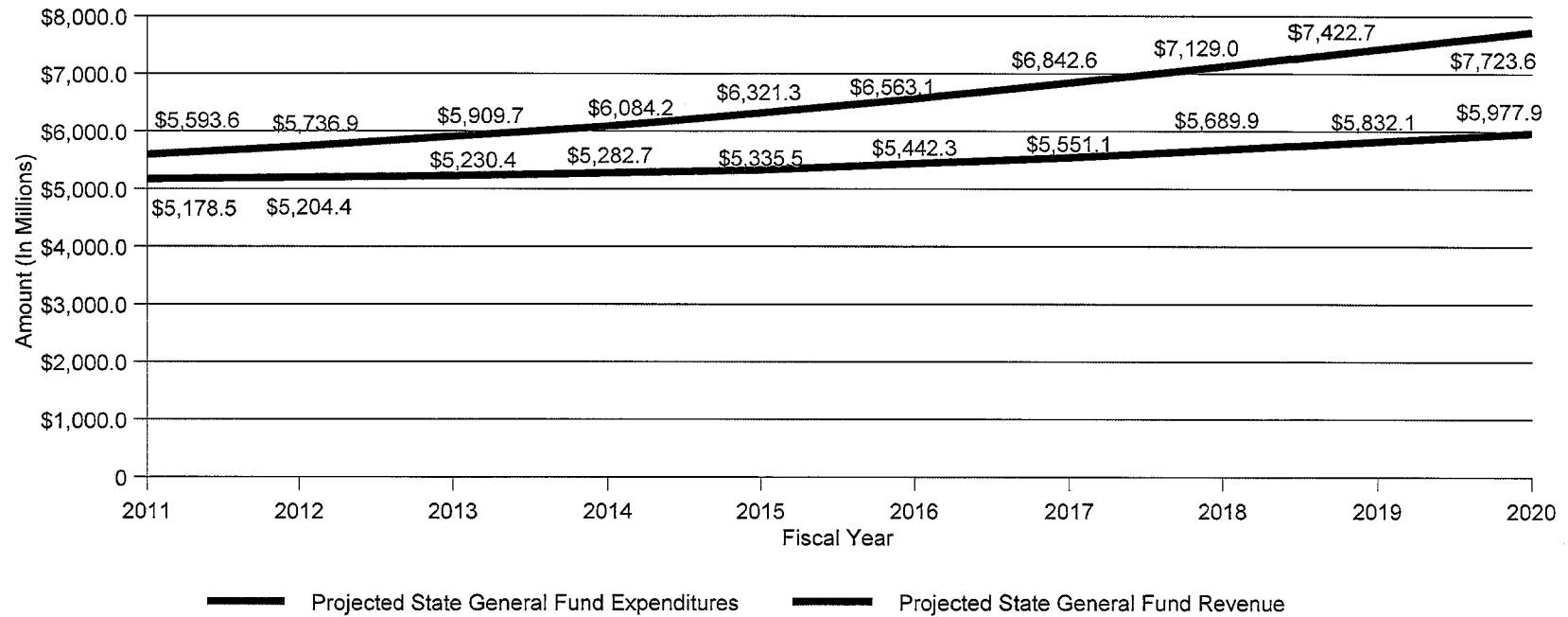


Prepared at the Request and Direction of Representatives Tom Sloan, Pat George, and Tom Hawk

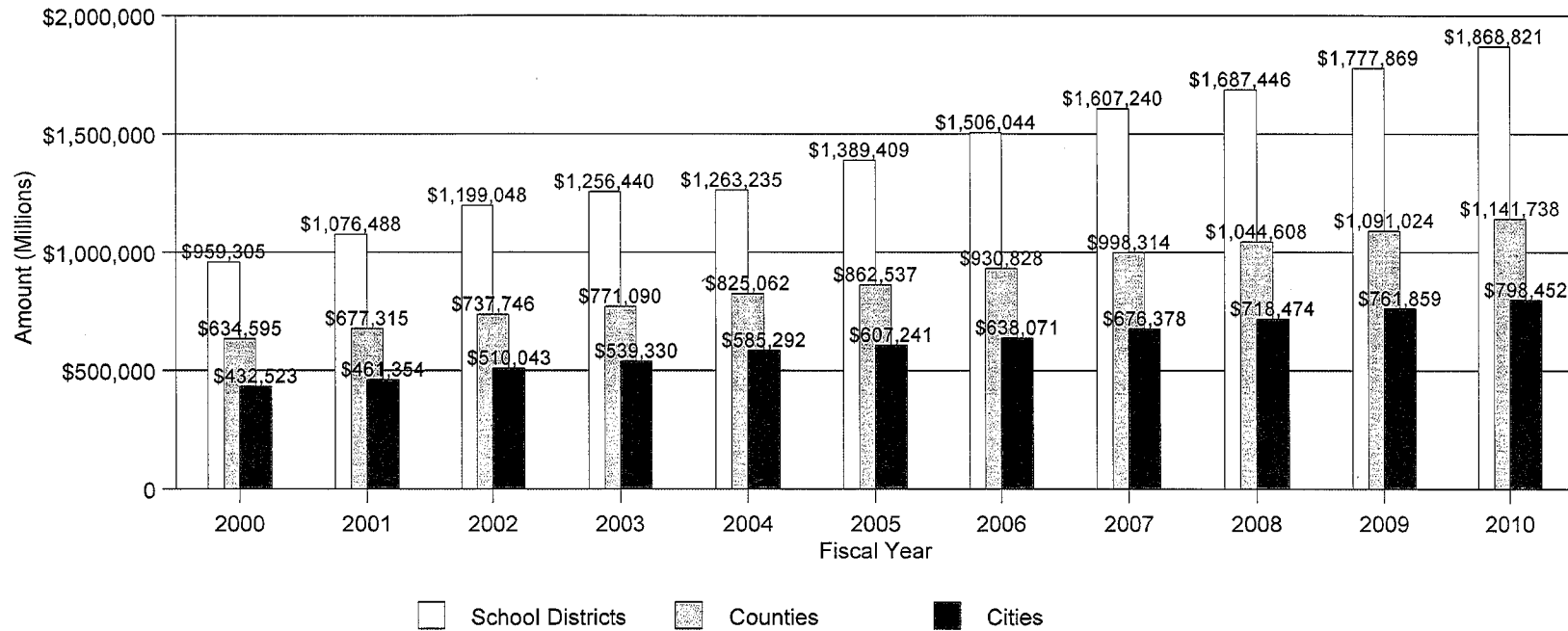
PROJECTED STATE GENERAL FUND EXPENDITURES FY 2011 - FY 2020* (In Millions)



**PROJECTED STATE GENERAL FUND EXPENDITURES AND REVENUE
FY 2011 - FY 2020*
(In Millions)**

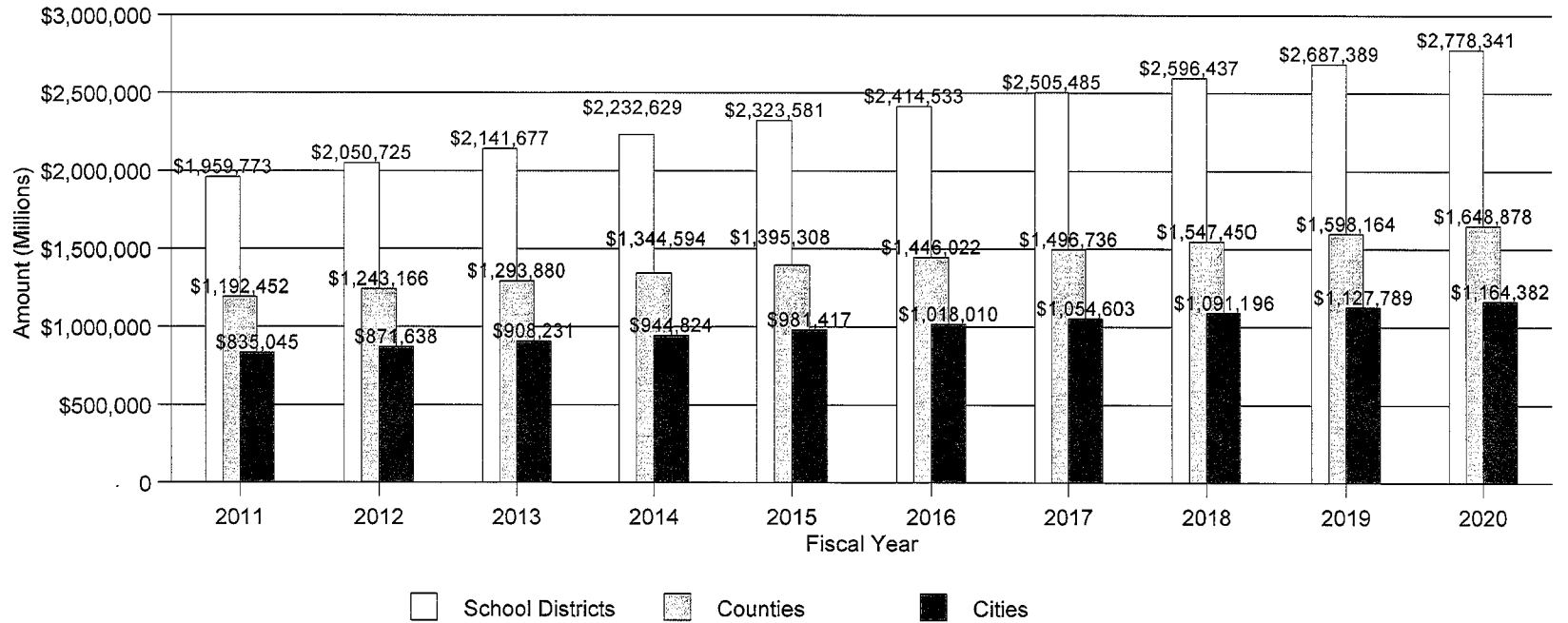


PROPERTY TAXES BY SELECTED LOCAL UNITS OF GOVERNMENT FY 2000-FY 2010 (In Thousands)



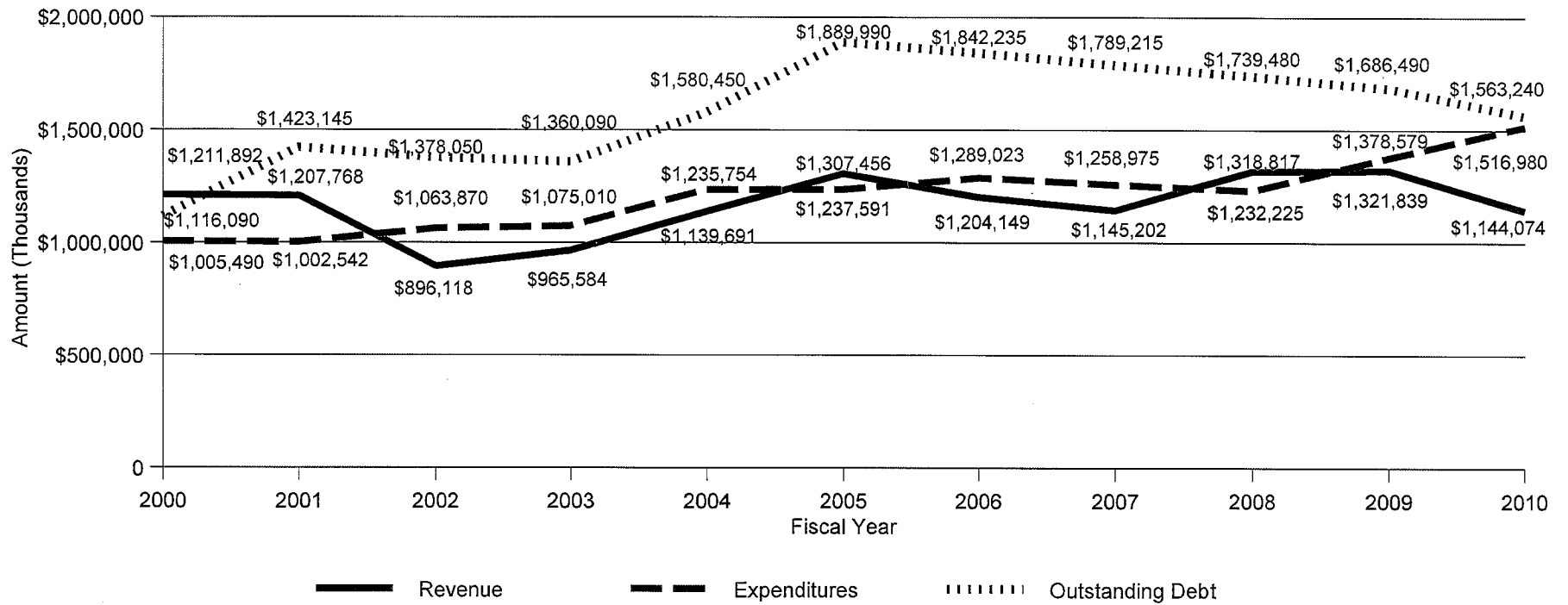
Prepared at the Request and Direction of Representatives Tom Sloan, Pat George, and Tom Hawk

**PROJECTED PROPERTY TAXES BY SELECTED LOCAL UNITS OF GOVERNMENT
FY 2011-FY 2020
(In Thousands)**



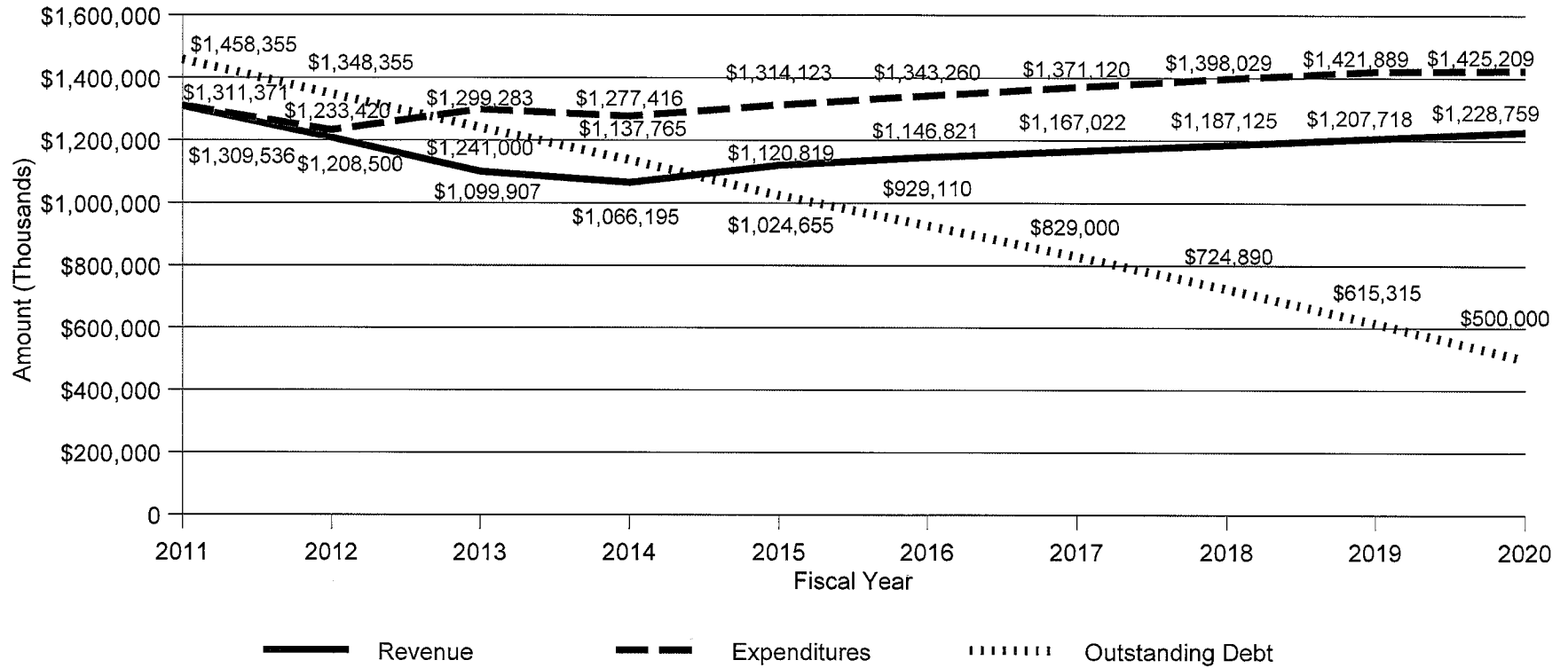
2-12

**KANSAS DEPARTMENT OF TRANSPORTATION
STATE HIGHWAY FUND REVENUES, EXPENDITURES, AND OUTSTANDING DEBT
FY 2000-FY 2010**



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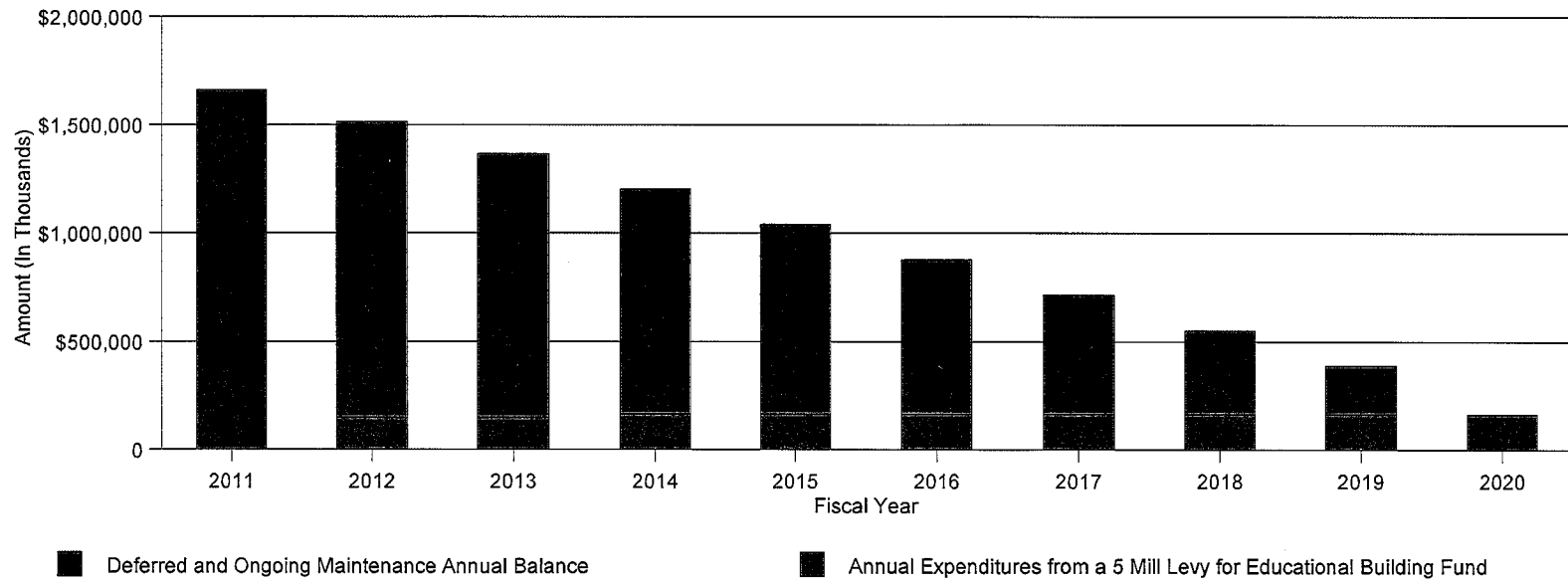
**KANSAS DEPARTMENT OF TRANSPORTATION
PROJECTED STATE HIGHWAY FUND REVENUES, EXPENDITURES, AND OUTSTANDING DEBT
FY 2011-FY 2020**



Prepared at the Request and Direction of Representatives Tom Sloan, Pat George, and Tom Hawk

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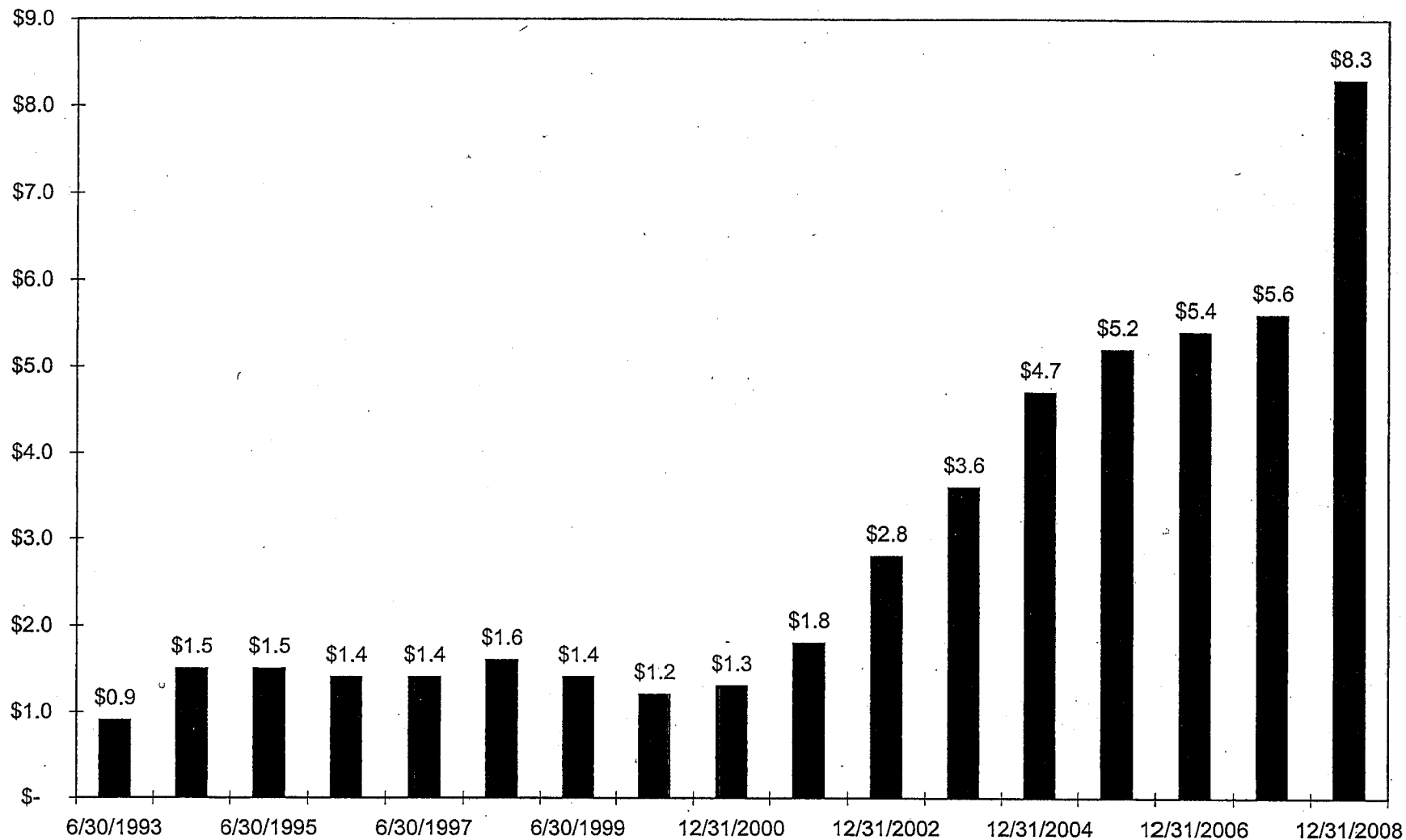
**STATE BOARD OF REGENTS AND REGENTS INSTITUTIONS
PROPERTY TAX EXPENDITURES REQUIRED TO FUND ONGOING MAINTENANCE AND ELIMINATE DEFERRED
MAINTENANCE ISSUES BY FY 2020**



Prepared at the Request and Direction of Representatives Tom Sloan, Pat George, and Tom Hawk

1-5-6

**Kansas Public Employees Retirement System
History of KPERS Total System UAL
6/30/1993 Through 12/31/2008**



KPERS State, Schooland Local Projected UAL
FY 2010- 2020

FY	State	School	Local	Total
2010	\$999.4	\$5,233.7	1,462.9	\$7,696.0
2011	1,058.8	5,567.2	1,567.0	\$8,193.0
2012	1,120.3	5,932.4	1,807.0	\$8,859.7
2013	1,395.0	6,764.7	2,038.3	\$10,198.0
2014	1,659.9	7,602.1	2,087.0	\$11,349.0
2015	1,695.1	7,939.0	2,125.2	\$11,759.2
2016	1,722.5	8,274.6	2,146.5	\$12,143.6
2017	1,739.2	8,598.9	2,148.8	\$12,486.9
2018	1,743.4	8,908.6	2,129.8	\$12,781.9
2019	1,733.6	9,201.7	2,085.5	\$13,020.8
2020	1,707.8	9,472.5	2,014.6	\$13,195.0

**Kansas Public Employees Retirement System
Analysis of Additional Employer Contributions
State, School & Local Groups FY 2010 - 2033**

Fiscal Year	At FY 2011 Employer Rate Level 8.17% State School 6.74% Local				With Current Cap Increase				
	State	School	Local	Total	State	School	Local	Total	Additional Contributions from FY 2011 Rate
2010	\$ 77.7	\$ 256.6	\$ 102.0	\$ 436.27	\$ 77.7	\$ 256.6	\$ 102.0	\$ 436.27	\$ -
2011	89.5	284.1	115.9	489.5	89.5	284.1	115.9	489.5	-
2012	91.9	291.6	119.9	503.4	98.7	313.0	130.5	542.2	38.8
2013	94.5	299.4	123.9	517.9	108.4	343.4	146.0	597.8	79.9
2014	97.3	307.7	128.1	533.1	118.7	375.5	162.3	656.5	123.4
2015	100.1	316.5	132.5	549.1	129.6	409.4	179.7	718.6	169.6
2016	103.2	325.7	137.0	565.9	141.1	445.3	198.0	784.3	218.5
2017	106.4	335.4	141.7	583.5	153.3	483.3	217.3	853.8	270.4
2018	109.8	345.7	146.5	602.0	166.2	523.5	237.8	927.5	325.5
2019	113.3	356.6	151.5	621.5	179.9	566.1	259.5	1,005.5	384.0
2020	117.1	368.1	156.8	641.9	194.4	611.4	276.5	1,082.3	440.4
2021	121.0	380.1	162.2	663.4	209.9	659.3	283.8	1,153.0	489.6
2022	125.2	392.9	168.0	686.1	226.4	710.2	289.9	1,226.5	540.5
2023	129.6	406.2	173.9	709.8	243.9	764.3	294.0	1,302.2	592.4
2024	134.3	420.3	180.1	734.7	262.5	821.5	297.2	1,381.2	646.5
2025	139.2	434.9	186.7	760.8	282.3	882.1	299.7	1,464.2	703.4
2026	144.4	450.3	193.5	788.2	303.4	946.3	300.8	1,550.6	762.4
2027	149.8	466.3	200.6	816.7	325.8	1,014.3	300.1	1,640.1	823.4
2028	155.5	483.1	208.1	846.6	349.5	1,086.2	297.0	1,732.7	886.1
2029	161.4	500.6	215.9	877.9	374.8	1,162.3	290.2	1,827.3	949.4
2030	167.6	518.8	224.1	910.5	401.6	1,242.7	278.0	1,922.3	1,011.8
2031	174.2	537.8	232.6	944.5	430.0	1,327.7	276.0	2,033.7	1,089.2
2032	180.9	557.6	241.4	979.9	460.0	1,417.6	286.5	2,164.1	1,184.1
2033	188.0	578.3	250.6	1,016.9	491.7	1,512.6	297.5	2,301.7	1,284.8
	\$ 3,071.8	\$ 9,614.7	\$ 3,755.7	\$16,442.16	\$ 5,819.0	\$ 18,158.7	\$5,467.9	\$ 29,445.5	\$ 13,003.4