

MINUTES

KANSAS TECHNICAL COLLEGE AND VOCATIONAL SCHOOL COMMISSION

January 26, 2007

Room 520—Curtis State Office Building

Members Present

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

Staff Present

Audrey Dunkel, Kansas Legislative Research Department
Michele Alishahi, Kansas Legislative Research Department
Theresa Kiernan, Office of the Revisor of Statutes
Gary Deeter, Committee Secretary

Conferees

Dr. Jeff Seybert, Director, Institutional Research, Johnson County Community College
Diane Duffy, Vice-President for Finance and Administration, Kansas Board of Regents
Dr. Blake Flanders, Director, Workforce Training and Education Services, Kansas Board of Regents
Dr. Edward Berger, President, Hutchinson Community College/Area Vocational Technical School
Rich Hoffman, President, Kansas Association of Technical Schools and Colleges
Kenneth Clouse, President, Northwest Kansas Technical College
Dr. Jackie Vietti, President, Butler Community College

Others Attending

See attached list.

Morning Session

The Chairman called the meeting to order at 9:00 a.m. and, after some brief comments, introduced Dr. Jeff Seybert, Director, Institutional Research, Johnson County Community College (JCCC), who reviewed "The Kansas Study of Community College Instructional Costs and Productivity" ([Attachment 1](#)). Noting that the study was funded by a U.S. Department of Education three-year grant of \$282,000 and was implemented by JCCC in 2004, he said data were gathered from 54 institutions in Kansas and seven other states assessing 152 disciplines or programs. Answering questions, he stated that no technical colleges participated in the study, that technical education programs are the most expensive, and that more technical education credit hours are taught by full-time faculty. He replied that the total costs (factoring in overhead) of an individual program were too complex to determine. He said program costs vary widely among institutions.

A member noted the value of the Kansas Study, saying it provides a vehicle for gathering and assessing information on individual institutions, for developing funding requests and allocating resources, and for providing benchmarks to compare with other states' institutions; he added that the data mirror federal CIP codes, enabling standardized comparisons.

Dr. Edward Berger, President, Hutchinson Community College/Area Vocational Technical School, and Rich Hoffman, President, Kansas Association of Technical Schools and Colleges, who had been asked to develop a funding model, introduced Diane Duffy, Vice-President for Finance and Administration, Kansas Board of Regents, and Dr. Blake Flanders, Director, Workforce Training and Education Services, Kansas Board of Regents, who presented a new funding model for post-secondary education ([Attachment 2](#)). Ms. Duffy said the new approach started with two questions: how much state funding is needed; and how should state funding be allocated. She said total state funding for post-secondary education in FY 2006 totaled about \$72.6 million. As a starting point for developing a funding model, she said the Governor's On-Track Initiative targeting six critical industries (aviation, advanced manufacturing, communication, health care, energy, and biosciences) was chosen; then reimbursement rates were aligned with program-delivery costs, with these specific programs eligible for enhanced rates. These targeted industries also would be provided with incentives for growth (\$5 million) and increased access to technology and equipment funding (\$8 million); further funds would be available to create a start-up pool for new programs (\$5 million), to create a business/industry training fund (\$3 million), and to increase state operational support (\$500,000).

Ms. Duffy provided a methodology for calculating the state program rate: instructional costs by program per credit hour multiplied by 30 and divided by the percentage of instructional costs as a percentage of Educational and General expenditures; she noted that certain programs would be tiered to reflect the higher costs of the programs: a mid-tier of \$9,655, and a high tier, \$14,069. Based on this methodology, she said the first year, an additional \$38-\$41 million in state funds would be required.

Ms. Duffy distributed [Attachment 3](#) to reference the types of jobs included in the six critical employment areas. Noting that the old model is based on reimbursement for instructional costs, she said the Kansas Study can be used to determine instructional costs, and financial reports from the community colleges can be used to arrive at overhead costs. A member expressed concern that the Kansas Study does not reflect any technical college data. Another member, acknowledging that basing the formula on only six employment arenas seems narrow, replied that the formula provides a rational starting point and a rationale for a new funding model.

Dr. Flanders said that 41 percent was determined as the percentage of instructional costs to total costs. Mr. Hoffman responded that his association was comfortable with that figure, even though it was derived from community college data.

Members discussed how to establish a measurable return on investment in order to justify the funding increase to the Legislature. Dr. Flanders noted recent data related to funding increases for nurses, saying the data showed that funding enhanced enrollments 74 percent beyond the targeted increase, but could not yet reflect dollars returned to the state. To another question, Dr. Flanders replied that the formula addressed funding, not skill level outcomes.

Kenneth Clouse, President, Northwest Kansas Technical College, and Dr. Jackie Vietti, President, Butler Community College, presented a document outlining a proposed governance structure for technical education (Attachment 4). They referenced a proposed legislative draft distributed at the January 23 Commission meeting, explaining that their proposal included suggested changes in the draft, some joint suggestions, and other concepts which diverged between the community colleges and the technical colleges (Attachment 5). Jointly they proposed creating a Coordinating/Oversight Technical Education Entity appointed by the Governor that would develop and oversee an integrated statewide plan for technical education. The Entity would hire an executive director; the Entity would be responsible for funding requests, making recommendations to the Kansas Board of Regents and creating accountability benchmarks and indicators.

Mr. Clouse and Dr. Vietti recommended a change in the name of the entity from Council to Coordinating Authority. Mr. Clouse said the technical college association would recommend a change in the relation to the Regents, with the Authority being delegated to operate as a quasi-independent entity. Authority agenda items would be placed on the Regents' consent calendar to be accepted without discussion unless two-thirds of the Regents voted to remove the items. Dr. Vietti countered that the community college presidents preferred not to have a board functioning as quasi-independent from the Regents. Mr. Clouse and Dr. Vietti concluded by saying the Coordinating Authority would be expected to produce common core competencies, meet state/industry certification requirements, provide seamless articulation among institutions, and administer an integrated post-secondary technical education system that maximized the resources of the institutions to meet the workforce needs of Kansas.

Members discussed with the conferees the meaning of a *coordinating authority*. Mr. Clouse said the proposed plan includes local boards, which set policies for programs that are submitted to the authority for funding. Responding to limiting the Regents' authority, Mr. Clouse said the status of technical education needs to be elevated. Mr. Robinson noted that placing Authority agenda items on a consent calendar seemed to be counterproductive. Dr. Vietti agreed, noting that such action would appear to preclude discussion. She expressed concern about placing the proposal in statute. Mr. Clouse explained that the consent-calendar recommendation was intended to shelter Authority items from arbitrary modifications.

Members noted the exclusion of secondary schools and four-year universities from the proposal. A member commented that legislative leadership is seeking an Attorney General's opinion regarding whether or not a post-secondary technical board independent from the Regents could pass constitutional muster. Dr. Vietti expressed serious reservations about a bifurcated post-secondary governance structure. Members discussed possible staffing for the proposed new entity.

Afternoon Session

A member noted the number of points of agreement among various technical education principals and Commission members: a funding model, standardized curriculum, credit-hour credentialing, and moving technical schools to affiliate with technical or community colleges.

The Chairman referenced page v, the Executive Summary of the Commission's preliminary report to the 2007 Kansas Legislature (Attachment 6).

The Commission accepted the Mission portion of the Executive Summary as printed (Motion, Dr. Farley; second, Mr. Glassman.)

Members discussed the funding portion of the Summary. A motion was made, seconded, and unanimously passed to accept the Kansas Study (Attachment 1) and the draft funding model (Attachment 2) as the basis for recommending increased state funding for technical education, with the following emendations: on page 17 of the funding model, replace the recommended \$500,000 to strengthen state support with \$1 million; and (on the Executive Summary) deleting the words "as recommended by the Legislative Educational Planning Committee." (Motion, Senator Lee; second, Mr. Glassman.)

Under the Governance section of the Executive Summary, a motion was made, seconded, and passed to recommend that all post-secondary technical education schools or colleges move toward affiliation or merger with an accredited college with an independent governing board. (Motion, Mr. Veach; second, Dr. Edleston.)

A motion was made and seconded to recommend creating an independent board for technical education in the State of Kansas. (Motion, Dr. Farley; second, Dr. Edleston.) The motion failed.

A motion was made and seconded to recommend creating an independent board for coordination and governance of technical education in Kansas. (Motion, Senator Lee; second, Mr. Glassman.) Members discussed the legal implications of the word governance, whether creating a statewide governing board would obviate local boards, and whether the motion included community colleges and universities. The motion passed 3-2.

A motion to include a minority report failed for lack of a second.

A motion was made and seconded to note in the report that the governance recommendation was supported by a majority of the Commission. (Motion, Chairman Fahnestock; second, Senator Lee.) The motion passed, 6-1.

A motion was made, seconded, and passed to strike the third section under Governance. (Motion by Dr. Edleston; seconded by Mr. Veach.)

The meeting was adjourned at 2:59 p.m. No further meeting was scheduled.

Prepared by Gary Deeter
Edited by Audrey Dunkel

Approved by the Commission on:

February 14, 2007
(Date)