

KANSAS BOARD OF REGENTS



SENATE EDUCATION COMMITTEE

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Technical Education Funding: A New Approach

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LEADING HIGHER EDUCATION





Current Funding Approach

- ★ Six technical colleges receive funding for technical education through the “Technical College Aid for Technical Education” fund.



Current Funding Approach

- ★ Six community colleges that merged with technical schools (71-1701 *et seq.*) elected to receive funding for technical education through the “Other Institutions Aid for Technical Education” fund for the original technical school programs, and the “Community College Operating Grant” for all other technical programs.



Current Funding Approach

- ★ One community college that merged with a technical school (71-1701 *et seq.*), by election, receives funding for technical education only through the “Community College Operating Grant”, but not from the “Other Institutions Aid for Technical Education” fund.



Current Funding Approach

- ★ The twelve community colleges that did not merge (71-1701 *et seq.*), receive funding for technical education through the “Community College Operating Grant”, but do not have access to the “Other Institutions Aid for Technical Education” fund.



Current Funding Approach

- ★ One technical school affiliated with a university receives funding for technical education through the “Other Institutions Aid for Technical Education” fund.



Legislative Charge

K.S.A.72-4482

- ★ “(11) (A) develop and recommend to the state board of regents a credit hour funding distribution formula for postsecondary technical training programs that
 - (i) is tiered to recognize and support cost differentials in providing high-demand, high-tech training,



Legislative Charge

K.S.A.72-4482

- (ii) takes into consideration target industries critical to the Kansas economy,
 - (iii) is responsive to program growth and
 - (iv) includes other factors and considerations as deemed necessary or advisable; and
- ★ (B) establish and recommend to the state board of regents the rates to be used in such funding distribution formula.”



The Journey to a New Approach

- ★ 4 Technical Education Funding Workgroup Meetings
- ★ 20 CEO Briefings
- ★ 1 Funding Summit (KBOR/TEA/College CEOs)
- ★ 10 Open Comment Opportunities at TEA Meetings



The Journey to a New Approach

- ★ Fund technical education courses “the same” regardless of which eligible institution delivers the course
- ★ Base the model on data



The Journey to a New Approach

- ★ Encourage high-wage, demand-driven education
- ★ Encourage program growth



Build the Cost Model

- ★ Instructor Costs
- ★ Extraordinary Costs
- ★ Instructional Support Costs
- ★ Institutional Costs



Instructor Cost

- ★ Used national data to compare Kansas programs
- ★ Source: The Kansas National Study of Community College Instructional Costs and Productivity by Academic Discipline
- ★ 85% of Kansas 2-year schools (Community and Technical Colleges) participated in 2009



Tier Rates for Programs

Tier Level	Tier Rate/Credit Hour	Example Program
1	\$108	Medical Assistant
2	\$128	Early Childhood Education
3	\$142	Power Plant Technology
4	\$149	Automotive Technology
5	\$167	Computer Aided Drafting Technology
6	\$210	Associate Degree Nursing

Rates using 2009 Kansas Study Data—Instructor Costs Only



Sample Nursing Program Courses

Course Title	Credit Hours	Designation
Foundations of Nursing	4	Tier
Foundations of Nursing Clinical	2	Tier
Medical-Surgical Nursing	4	Tier
Medical-Surgical Nursing Clinical	2	Tier
Psychology	3	Nontier
College Algebra	3	Nontier



Sample Nursing Program Course

Course Title	Instructor Costs (Tier 6)	Extraordinary Costs	Instructional Support (21.1% * Tier 3 Rate (\$142))	Institutional Costs (28.2% * Tier 3 Rate (\$142))	Total Tiered Costs Per Credit Hour	Credit Hours	Total Course Cost
Foundations of Nursing Clinical	\$210	\$103	\$30	\$40	\$383	2	\$ 766



Other Policy Decisions

- ★ State share
- ★ Base year for implementation
- ★ Distribution method



Technical Education Funding Gap

Calculated Technical Funding	\$103.3 M
Current Technical Funding	<u>\$ 47.5 M</u>
Technical Funding Gap	\$ 55.8 M

*KBOR Request \$11.6M



Benefits to New Approach

- ★ Long-term system incentives for increased production of a high-wage workforce
- ★ Uniform state funding for technical education regardless of sector



Benefits to New Approach

- ★ Allows for strategic investments at the course level
- ★ Data driven method of funding distribution