



KANSAS BOARD OF REGENTS

HOUSE EDUCATION COMMITTEE

March 9, 2011

Testimony In Support of Senate Bill 13 and Senate Bill 143

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Vice President Workforce Development

Good morning Chairman Aurand and members of the Committee. My name is Blake Flanders and I serve as Vice President of Workforce Development for the Kansas Board of Regents and provide executive support to the Kansas Postsecondary Technical Education Authority (Authority). I am here on behalf of the Board of Regents and the Authority to express support for Senate Bill 13 and Senate Bill 143, both of which were introduced by the Legislative Educational Planning Committee and were unanimously approved by the Senate.

In 2007, the Kansas Legislature enacted legislation which created the Authority, and in 2009 codified proviso language from a previous Omnibus Bill by amending K.S.A. 72-4482 to include the following section directing the Kansas Postsecondary Technical Education Authority to “(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, (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.”

Both Senate Bill 13 and Senate Bill 143 respond to the legislative charge. Senate Bill 13 is requested to continue the process to review and identify statutes as needing revision to reflect current practice and terminology or repeal if obsolete.

If enacted, Senate Bill 13 will update terminology, removing definitions for terms no longer used, and eliminate area vocational school and area-vocational technical school references. Area vocational and area vocational-technical schools no longer exist as independent legal entities in Kansas. All former schools have merged with community colleges, been established as independent technical colleges, or have affiliated with a university.

Updating terminology and including specific institutional references will add clarity and increase the specificity of the statutes and reduce potential variations in interpretations. The removal of

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obsolete sections and repeal of statutes no longer needed simplifies operation and statutory review.

Senate Bill 143 will provide a systematic uniform approach and structure for funding technical education and a framework for a tiered technical education funding approach with rates established by program delivery costs. This systematic change will provide a forward-looking approach resulting in an equitable, coherent funding structure. The new approach to technical education funding also provides long-term system incentives for the production of a high wage Kansas workforce. Senate Bill 143 follows the legislative directive relative to the funding approach for postsecondary technical education, and is a culmination of three years of effort from the institutional leaders, the Authority, and Board of Regents.

Additionally, Senate Bill 143 repeals the community college operating grant and establishes a fund for non-tiered course credit hours supporting general education delivered by community colleges.

In summary, we support Senate Bill 13 and Senate Bill 143, proposed by the Authority and recommended by the Board of Regents.

Thank you for the opportunity to comment. I will be happy to answer any questions.

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Technical Education Funding: A New Approach

Blake Flanders, Ph.D., Vice President for Workforce Development



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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