	Date
MINUTES OF THESENATE_ COMMITT	TEE ONEDUCATION
The meeting was called to order by	SENATOR JOSEPH C. HARDER Chairperson at
1:30 axx./p.m. on Tuesday, Fe	bruary 18 , 1992 in room 123-S of the Capitol.
All members were present except:	

Approved February 20, 1992

Committee staff present:

Mr. Ben Barrett, Legislative Research Department

Ms. Avis Swartzman, Revisor of Statutes

Mr. Dale Dennis, Assistant Commissioner of Education

Mrs. Millie Randell, Committee Secretary

Conferees appearing before the committee:

SB 596 - Community colleges, residence of students for tuition, out-district tuition, and state aid purposes.

Proponents:

Senator Wint Winter, co-sponsor of SB 596

Mr. Mark Buhler, Chairman, Douglas County Commission

Mr. Christopher K. McKenzie, Douglas County Administrator Mr. Matt Oleen, intern, speaking on behalf of Senator Oleen, co-sponsor of SB 596

Opponents:

Dr. W. Merle Hill, Executive Director, Kansas Association of Community

Ms. Connie Hubbell, Legislative Coordinator, Kansas Board of Education

Following a call to order by the Chairman, Senator Frahm moved, and Senator Walker seconded the motion to approve minutes of the meetings of _and Wednesday, February 12 and Thursday, February 13. The motion carried, and the minutes were approved.

The Chairman recognized the co-sponsor of SB 596, Senator Wint Winter.

Senator Winter explained that \underline{SB} 596 deals with out-district tuition and the circumstances under which county taxpayers are required to subsidize students who choose to become educated at county community colleges. He related that at present there is no residency requirement or other means by which to determine when a county is required to pay out-district tuition. \underline{SB} 596, he said, states that a person needs to have resided in a county \underline{SB} 596, and \underline{SB} 196, and \underline{SB} 201, a for twelve consecutive months in order to be considered a resident.

A second component of the bill, explained Senator Winter, specifies in statute what he believes is present policy as it relates to community college course offerings in a county in which a state educational institution is located.

Senator Winter described the unique problem in his county which caused him to co-sponsor SB 596.

The Chair next called upon Mr. Mark Buhler, Chairman, Douglas County Commission.

Mr. Buhler pointed out that Douglas County is not trying to avoid paying out-district tuition for its residents who wish to attend a community college, but it does have a problem when it is required to pay out-district tuition for K.U. students from New York or Kansas City, e.g., who decide to take a course offered at a community college. (Attachment 1)

CONTINUATION SHEET

MINUTES OF THE _	SENATE	COMMITTEE ON	V V	EDUCATION	
room 123-S Stateh	ouse, at <u>1:30</u>	<u>X</u> XXn./p.m. on _	Tuesday,	February 18,	

Mr. Buhler introduced Mr. Christopher K. McKenzie, Douglas County Administrator, who, with Mr. Buhler, responded to questions.

Mr. McKenzie stated that at present a student's residence is determined by the student's declaration at the time of enrollment.

Mr. McKenzie called attention to inconsistencies in determination of residency for different purposes and, also, noted differing interpretations of residency. Mr. McKenzie stated that although he would consider the census definition of resident as preferable to twelve-month residency, some rule needs to be set.

Ms. Avis Swartzman, revisor, responding to a question, explained that \underline{SB} $\underline{596}$ states that the state would "pick up" the cost of out-district state aid for those community college students who do not meet the county residency requirement for purposes of out-district tuition charges.

Mr. Matt Oleen, intern, who was recognized as the next conferee, explained that his testimony is being presented on behalf of Senator Oleen, co-sponsor of $\underline{\mathtt{SB}}$ 596, who is chairing another meeting at this time. (Attachment 2)

The chair called upon Dr. W. Merle Hill, Executive Director, Kansas Association of Community Colleges, who spoke in opposition to \underline{SB} 596. Dr. Hill stated that members of his association believe there are sufficient regulations and agreements in place to address the concerns expressed in \underline{SB} 596 and see no need for the proposed statute changes. He urged the Committee to report the bill unfavorably for passage. (Attachment 3)

Ms. Connie Hubbell, Legislative Coordinator, State Board of Education, noted that for the last three years the State Board has advocated the elimination of out-district tuition. Ms. Hubbell's concern regarding SB 596 related to Sec. 7. (b). (Attachment 4) Responding to a question, Ms. Hubbell said that the Board has not yet taken a position regarding residency.

Following testimony by Ms. Hubbell, the Chair adjourned the meeting.

SENATE EDUCATION COMMITTEE

TIME:	1:30 p.m.	PLACE: 123-S	DATE: Tuesday, February 18, 1992
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<u>N.</u>	AME	<u>ADDRESS</u>	ORGANIZATION
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	D. AVRES	TOPEKA	BOARD OR RECENTS
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SENATE EDUCATION COMMITTEE

TIME:	1:30 p.m.	PLACE:	123-S	DATE:_	Tuesday,	February	18,	<u>1992</u>
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Douglas County

TESTIMONY ON SENATE BILL 596 By Mark Buhler, Chairman, Douglas County Commission

Senate Education Committee February 18, 1992

I appear today on behalf of the Douglas County Commission to express our strong support for Senate Bill 596. As a local elected official, I share your serious concern about local property taxes and the effects such taxes are having on the health of our state's economy. SB 586 is a step in the right direction to impose some very minor controls on the most rapidly increasing expense to the local property taxpayer in our county--out-district community college tuition.

HISTORY OF OUT-DISTRICT TUITION COSTS

The attached graph illustrates the rate at which out-district tuition costs have skyrocketed in Douglas County since 1986. At this time, the taxpayers of this County are dedicating the equivalent of 1.383 mills in property taxes (\$500,756) to fund total out-district tuition costs of 555,644. In contrast in 1986 the comparable amount was 0.43 mills (\$88,248) to fund total out-district tuition costs of 108,163. While expansion of the tax base of the County has offset some of this increase, the extent of the increase can be seen in the following figures:

	Mill Levy	Property Tax	Out-District
Period	Rate Increase	Amt. Increase	Budget Increase
1986-1992	221%	467%	414%

In 1992 out-district tuition will consume 5.08% of the total property taxes levied by Douglas County for this fiscal year. In 1986 out-district tuition consumed only 1.22% of the total property taxes levied for the fiscal year. This represents a 316% increase over the six (6) year period in the portion of the total County-levied property taxes dedicated to out-district tuition expenses.

WHY OUT-DISTRICT TUITION EXPENSES HAVE INCREASED

As you know, a County's out-district tuition expenses are determined by student demand. In other words, student attendance patterns influence the final bill that is paid by the property taxpayers of the out-district county. I don't feel that I can speculate extensively on why an increasing number of students that qualify under state law as Douglas County residents are attending community col-

Courthouse

leges. Examination of our County's actual expenses for the 1986 and 1990 fiscal years, however, reveals a significant increase in credit hours being taken at certain schools--particularly Johnson County Community College.

The enclosed article from the April 15, 1990 <u>Lawrence</u>
<u>Journal-World</u> provides some insights into why some K.U. students take courses at Johnson County Community College. The students interviewed talk about the difficulty of getting courses they wanted at K.U., liking the way a course at the community college is taught better than at K.U., and other factors. Also enclosed is a copy of an advertisement that appeared in the <u>Baldwin Ledger</u> advertising 1988 fall classes of Neosho County Community College offered in Ottawa--a 15 minute drive south of Baldwin City. Between 1986 and 1990 the out-district tuition bill to Douglas County from that community college grew 701%--or \$11,447.

Johnson County Community College is an outstanding institution and it clearly has been the greatest magnet for individuals from Douglas County. Between 1986 and 1990 Douglas County's total out-district tuition expenses increased 202%--or \$218,175. Out-district tuition charges for Johnson County Community College grew from \$46,982 in 1986 to \$222,386 in 1990, accounting for 30% of the growth in expenses in that five year period--or \$175,354. In 1992 we expect to spend in excess of \$300,000 to pay out-district tuition expenses to Johnson County Community College. In light of this development, you might be interested in the attached article from the Kansas City Star last summer which discusses the financial status of that particular community college.

WHAT CAN BE DONE AND WHY SHOULD IT?

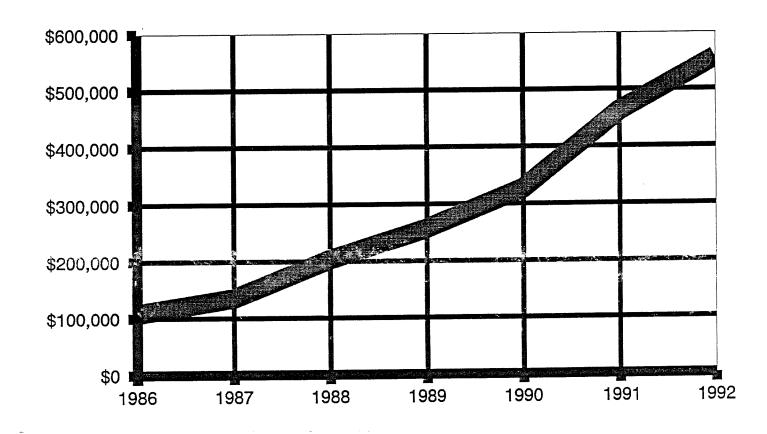
Enactment of SB 596 would be a small step in beginning to get a handle on this currently uncontrolled expense to the property taxpayers of our state. It would require 12 months rather than 6 months residence in an out-district county before that county could be charged out-district tuition. This seems abundantly fair since it is the same standard used in determining residency for in-state tuition at regents institutions. SB 596 represents a positive short term solution.

I also would urge the Committee to consider the long term ramifications of our current system for funding community colleges. If Douglas County is any example, it is time for significant reform in the way in which we are using the property tax to finance higher education at community colleges.

County commissions do not control community colleges or their expenses, but in out-district counties the property tax levy for out-district tuition is part of the county's tax levy. Mandating county commissions to pay these expenses without the ability to control the costs is inconsistent with all sound principles of good government. How can my fellow commissioners and I be responsible to the taxpayers if we have zero control over five percent or more of our tax levy? Realizing as I do that you are unlikely during this session to significantly alter the method for financing community colleges, SB 596 is a modest step in the right direction.

Thank you for your attention. I would be happy to answer any questions you may have.

Douglas Co. Community College Out-District Tuition Expenditures from 1986 - 1992



Year	Expenditure	% Change
1986 1987 1988 1989 1990 1991	\$108,163 \$135,090 \$203,493 \$257,239 \$326,844 \$461,914 \$555,644	24.89% 50.64% 26.41% 27.06% 41.33% 20.29%
	from 86 - 92	413.70%

ATTENTION - Adults & High School Caniors College Credit Classes Offered In Franklin & Anderson Counties 1988 FALL SCHEDULE

CLASSES OFFERED AT OTTAWA

	•	CR.				TUITION	CLASS
	COURSE/START DATE	HRS.	TIM	•	INSTRUCTOR	# FEES	LOCATION
MD102-6606	Basic Math Shills 8/22/88	1	ARR		Becker B	\$15.00	Adult Ed Center
	Reading Skills 8/22/88	2	ARR		Becker B		Adult Ed Center
BA123-2122	Calculating Machines + 8/22/88	2	6:00- 8:00pm	n Monda v	Girard M	\$30.00	306-0HS
BC127-2645	Microcomputer Business Applications 8/22/88	• 3	7:00-10:00pm		Getty G		303-0HS
	Art Appreciation 8/22/88	3	7:00-10:00pm		Swayne S		Draft Rm-OHS
	College Algebra 8/22/88	3	7:00-10:00pm		Prescott G		305-0HS
	Human Relations & Supervision + 8/22/88	3	7:00-10:00pm		Reusch L		301-OHS
SD151-7535	General Psychology 8/72/88	3	7:00-10:00pn	: Monday	Becker B	\$45.00	309-OHS
	Seminar in Business: Orientation to Office Job Opportunities 8 Job Tra-		8:00-10:00pm • 8/22/85	Monday	Girard M	\$30.00	306-0HS
MB205-6302	Human Anatomy & Physiology 8/23/88	5	7:00-10:00pe		Staff		111-0HS
	Introduction to Sociology 8/23/88	3	7:00-10:00pm		Rhodes B		301-0HS
	Design 8/23/88	3	7:00-10:00pm	Tuesday		\$45.00	Draft Rm-OHS
	Seminar in Business: Printshop Aug. 23 - Sept. 20	1	7:00-10:00pm	Tuesday	Getty G	\$15.00	303-0HS
PM0114-6655	Plane Trigonometry 8/23/88	3	7:00-10:00pm	Tuesday	Prescott G	\$30,00	305-0HS
CD150-3641	Basic Conversational Spanish B/23/88	3	7:00-10:00pm	Tuesday	Wolf A	\$45.00	101-0HS
	Elementary Typewriting + 8/23/88	3	7:00-10:00pm		Girard M	\$45.00	306-0HS
BC225-2692	BASIC Programming 8/23/88	3	7:00-10:00pm	Tuesday	Becker 8	\$45.00	309-0HS
	Microbiology (must enroll early) 8/23/88	5	7:00-10:00pm		Gray L		Science Lab-OHS
8C10A-2598	Small Business Accounting + 8/24/88	3	7:00-10:00pm	Wednesday	Reusch L	\$45.00	304-0HS
	English Composition 1 8/24/88	3	7:00-10:00pm	Wednesday	Swayne S	\$45.00	305-0HS
*BC708-2667	Computerized Accounting + 8/24/88	3	7:00-10:00pm	Wednesday	Getty S		303-0HS
	Photography I 8/24/88	3	7:00-10:00pm	Wednesday	Wagner 0	\$45.00	E Ctrl You Coop
*SD763-7671	Developmental Psychology 8/24/88	3	7:00-10:00pm	Wednesday	Balley D		309-0HS
	Seminar in Business: Extended Word Processing + 8/24/88	3	7:00-10:00pm	Wednesday	Glrard M	\$45,00	306-0HS
CB718-3440	American Literature 8/25/88	3	7:00-10:00pm	Thursday	Swayne S	\$45.00	301-0HS
*BA172-2116	Seminar in Business: Advanced	3	7:00-10:00pm	Thursday	Geltes		303-0HS
	Microcomputer Business Applications	+ 8/	25/88				
*BC109-2605	Financial Accounting 1 + 8/25/88	3	7:00-10:00pm	Thursday	McCall P	\$45,003	04-085
*BD122-2773	Photo Production & Design 8/25/88	3	7:00-10:00pm	Thursday	French 8		E Ctrl Yor Coop
SB150-7253	Lifetime fitness 8/25/88		7:00- 8:00pm			\$15.00	
10117-8375	Woodworking 8/25/88		7:00-10:00pm				Woodshap-DHS
*TC218-8402	furniture Making 8/25/88		7:00-10:00pm				Woodshop-OHS
*TD109-8492	Digital Electronics 8/25/88		7:00-10:00pm				E Ctrl Yoc Coop
	Word Processing Applications + Aug 25-Sept 22		7:00-10:00pm			\$15.00	
	Word Processing Applications + Sept. 29-Oct 27	1	7:00-10:00pm	Thursday	Girard M	\$15.00	306-0HS
	Word Processing Applications + Nov 3-Dec 10	1	7:00-10:00pm	Thursday	Girard M	\$15.00	306-0HS
*HB200-4500	Introduction to Associate	4					
	Decree Mursing - Start date to be a	nevn	red later				

 Classes will apply towards an Office Education Certificate - For information, contact the Ottawa Adult Education Center.
 Pre-enrollment required for all computer and word processing classes. Call 747-6719 to pre-enroll.

CLASSES OFFERED AT GARNETT

Adult Basic Educ 08/72/88	ation-GED Preparation	0 7:0	0-10:00pm	M¥.	Kellerman H	None	High School
HA102-4011 Geriatric Aide BC127-2646 Microcomputer Bu B/22/8B - call	siness Applications the high school office	3 7:0	0-12:00pm 0-10:00pm		Scobee P Ryman K	\$90.00 \$45.00	An County Mosp. 204-High School
CA105-3024 Painting I 8/22/ *CA115-3054 Painting II 8/22/ *CA209-2216 Creative Art 1: Painting 8/22/	88 /8R Special Projects- 88	3 6:21 3 6:21	5-10:00pm 5-10:00pm 5-10:00pm	Monday	Muther L Muther L Muther L	\$45.00	Art Room Art Room Art Room
*SD263-7622 Developmental PS BA101-2002 Elementary Typeu *BA102-2012 Intermediate Typ BC109-2599 Small Business A CB218-2441 American Literatu TC117-8176 Woodworking 8724 TC218-8801 Furniture Making *TC219-8409 Furniture Making *BA127-2175 Sminar in Busing	ychology 8/22/RR riting 8/24/88 ewriting 8/24/88 ewriting 6/74/88 recounting d/74/88 11 8/24/88 11 8/24/88 13 8/24/88 13 8/24/88 14 8/24/88 15 8/24/88 16 8/24/88 17 8/24/88 18 8/24/88	7:00 7:00 7:00 7:00 7:00 7:00 7:00 7:00	3-10:00pm 3-10:00pm 3-10:00pm 3-10:00pm 3-10:00pm 3-10:00pm 3-10:00pm 3-10:00pm 3-10:00pm 3-10:00pm	Wednesday Wednesday Wednesday Wednesday Vednesday Thursday te high sch Thursday	Buzzard C Buzzard C Benton J Feuerborn J Howarter J Howarter J Pyman K wool office to Feuerborn J	\$45.00 \$45.00 \$45.00 \$45.00 \$45.00 \$45.00 \$45.00 \$45.00 \$45.00 \$45.00	Shop Shop

CLASSES OFFERED AT CENTRAL HEIGHTS HIGH SCHOOL

TEID1 8202 Sectal Skills in Welding 9/6/88 3 7:	 Kadner L	\$65.00 High School \$65.00 High School

CLASSES OFFERED AT WELLSVILLE

CB2IN-3447 American Literature 9/6/88 CF101-3894 Fundamentals of Speech 9/7/88 BC127-2647 Microcomputer Business Applications 9/8/88	3 3	7:00-10:00pm Tuesday Bartl 7:00-10:00pm Mednesday Decke 7:00-10:00pm Thursday Sampl	r S	\$45.00 High School \$45.00 High School \$45.00 High School
BC108-2600 Small Business Accounting 9/8/88	3	7:00-10:00pm Thursday Sampl	es G	\$45.00 High School

CLASS OFFERED AT POMONA

BC127-2646 Microcomputer Bus	iness Applications	3	7:00-10:00pm Wednesday Getty G	\$45.00 High Schoo

Class has a prerequisite - Check the college catalog — The college reserves the right to cancel any class.

TUITION: Tuition for a Kansas resident (one who has lived in Kansas for six months or longer) is \$15,00 per credit hour. Out-of-state and international students will be charged \$55.00 per credit hour. Awdit fee for credit classes is \$10.00 per credit hour.

EMBOLIMENT INFORMATION: Enrollment will be held at the designated class location on the day or evening of the first class session. Tuition and book charges will be due and collected during the enrollment period which lasts for two class sessions. Mo refunds will be granted after the close of the enrollment period.

Neusho County Community College reserves the right to add or delete courses and/or programs, to change scheduled class times, and to change instructors without prior notice. Additional fees for new classes not listed in this publication may be assessed when necessary.

For more information, you may contact Duane Y. Clum, Dean of Continuing Education at Meosho County Community College, at (316) 431-2820, Bob Becker at the Ottawa Adult Education Center at 247-6719 or any class instructor.

These classes are made available through the cooperation of USD #296. Ottawa: USD #365. Garnett: USD #267. West Franklin: USD #289, Wellsville; and Central Heights: USD #286.

Neosho County Community College Chanute, Kansas (316) 431-2820

County pays out-district tuition for KU students

During the day, Scott Rehkop is in class

at Kansas University.
But on Tuesday nights, the KU business major makes the half-hour commute with a fellow fraternity member to Johnson County Community College, where he's taking a managerial accounting course.

KU offers the equivalent course, Accounting 241, "but it's a lot easier there," Rehkop said of the Johnson County class, which has an optional midterm and final.

And he's not alone. About half of his class of 25 students at JCCC is from KU, he estimated.

Rehkop was surprised to learn that Douglas County was billed \$72 in "outdistrict tuition" for his class at Johnson County.

The state of Kansas requires counties without community colleges to pay \$24 per credit hour for community college classes their residents take.

Douglas County taxpayers might be surprised to learn that they're paying for students who hail from outside Douglas County. Although Rehkop's hometown is Leawood, the state of Kansas requires Douglas County to be billed for him because he's now living in Lawrence while attending KU.

OF THE 505 students from Douglas County attending JCCC this spring, at least 69 were enrolled at KU last fall, billing records supplied by Douglas County officials indicate. And of that total, 26 appeared to have hometowns outside Douglas County, judging from the addresses listed in the 1989-90 KU student directory.

Twenty-six students doesn't sound like much - they represent only about 5 percent of the total. And the dollar impact isn't great, either: \$3,672 out of a total bill of \$89,028.

But Mike Arnyx, county commission chairman, said that it's money the county would like to keep.

"Any amount that we can save," he said Saturday, noting that county officials are already looking at a tight 1991 budget.

COMMISSIONERS have long complain-

See Tuition bills, page 11A

KU students didn't know county subsidizes tuition

By DUANE RETZLAFF J-W Staff Writer

Calls to several of the 26 Kansas University students with hometowns out of Douglas County revealed that they didn't realize the county was being billed for the courses they took at Johnson County Community College.

But all of the students felt they were correctly labeled as Lawrence residents.

One of the students is John Kenny, a KU junior in adver tising from Northfield, Ill., who also is taking two courses this spring at JCCC. Kenny, who established

Kansas residency and now

See Students, page 11A

LAWRENCE JOURNAL-WORLD Sunday, Apr. 15, 1990 Page 11A

Tuition bills include KU students

(Continued from page 1A)

ed about having to pay out-district com-munity college tuition, saying it's an uncontrollable cost that taxpayers are forced

Douglas County has seen its community college budget grow steadily in recent years, from \$135,090 in 1987 to \$199,842 in 1988 to \$257,239 for 1989. The '89 bills went nearly \$50,000 over budget.

The county has budgeted \$314,794 for outdistrict tuition this year, and commissioners fear the tuition bills will again exceed the budget.

Commissioners were angered in March when they received an \$816 bill for community college tuition from last year, and voted to table paying the bill indefinitely. Commissioners also have decided not to pay 1990 community college bills until the end of this year.

Commissioners said the county is put in an awkward position because community colleges can't accurately project tuition costs and then pass along the tuition bills long after the previous budget year is over.

So even \$3,672 becomes important, especially when the residency question comes into play.

JOHN HANNA, director of community colleges for the state Department of Education, said residency is determined by presence and intent. In other words. where are you and where do you intend to live?" he said.

Hanna said statutes outline several means of demonstrating that intent: payment of property taxes, registering to vote, buying license tags, holding a job.

But for all practical purposes, the residency question is left up to the students themselves, according to Larry Reddick, who audits community college billings for the state education department.

"You just have to go with where they say their residency is," he said last week. "It's really where they put their head down to

That definition would be fine, county officials say, if the Secretary of State agreed to count the students as Douglas County residents in the state census.

AS IT STANDS now, those 26 students wouldn't be considered Douglas County residents for the state census.

"It's incredibly ironic," County Administrator Chris McKenzie said Friday. If Douglas County can't count those people as

residents for legislative apportionment. "you've got to question our obligation to send them to community college," he said.

Earlier in the 1990 legislative session, Douglas County officials supported a bill that would require students to live in a county for at least 12 months before they could claim residency. However, the bill never made it out of committee.

"Obviously, someone who graduates from a Douglas County high school . . there is a responsibility there. That's fair and we accept that," Armyx said.

BUT AMYX said he disagrees that students who come from out of county, especially to attend KU, are the county's responsibility.

"I know we're always checking addresses," he said. "But if they're listed here there's not much we can do about it."

Armyx said he supported the 12-month residency requirement.

Another remedy was included in the state board's five-year funding plan. The plan, introduced last year, would have increased the state's subsidy of community colleges and eliminated out-district tuition payments. The proposal has yet to receive lawmakers' approval.

Students didn't know about tuition subsidy

(Continued from page 1A)

pays in-state tuition at KU, said he considers himself a Lawrence resident after having lived here for nearly three years.

"There are a lot of kids from KU who go there. I pass a lot of them on the road," he said, "And I see a lot of KU stickers in the parking lot."

KENNY SAID he and other KU students take classes at JCCC because they can't get the courses they wanted at KU.

"I could never get this English class I wanted. I waited two semesters to get in and gave up," he said. Since he was planning to take a history course at Johnson County anyway, Kenny said he decided to sign up for the children's literature class he'd been wanting to take at KU.

Pamela Brown, a sophomore in advertising from Overland Park, said she's taking a lowerlevel math course at Johnson County because she didn't like the math program at KU. Math 101 is a self-taught course, and the tutors at the center weren't much help, she said.

"So every Tuesday and Thursday night I drive from here to Overland Park," she said.

Brown said she's not enthused about the drive, especially since her parents moved recently to Delaware, so she can't stay the night in Overland Park.

BRIAN FORSYTHE, a junior economics major from Overland Park, said he feels the commute from Lawrence to JCCC is worth the trouble. Forsythe is taking a calculus course at JCCC that's equivalent to Math 122 at KU.

"I just have more luck with their math department," he said.

Scott Rehkop, a sophomore business major from Leawood, is taking a managerial accounting course at JCCC along with a fellow fraternity member.

Rehkop said he starting taking classes at Johnson County when he was in high school and has attended the community college an the summers as well.

Asked if he considered himself a Lawrence resident, he replied: "Oh yeah, absolutely.... I spend the majority of my time here."

Rehkop said he didn't realize Douglas County was getting billed for his courses at JCCC.

"I don't know if it's completely fair," he said of the out-district

College is flush with cash, going for more

The board of trustees of Johnson County school is seeking another 'modest tax increase."

By BILL DALTON and LAURIE J. SCOTT Staff Writers

As predictable as the seasons, each new budget year brings another harvest of tax dollars for Johnson County Community Col-

This autumn the college board of trustees intends to collect what it calls a modest tax increase - a half-mill increase that would raise about \$1.25 million. For the typical homeowner, "it's maybe the price of two six-packs of beer," said board member Hugh Speer.

. But just as predictably, the college July 1 began its new fiscal year flush with cash, carrying over a \$17 million surplus, or a quarter of this year's budget.

· In fact, the college's finances are excellent with little long-term debt, all six board members agree. Moreover, the college has ended each of its last five years millions of dollars in the black.

Nevertheless, the college has continued to raise taxes in four of . - those years. It didn't raise taxes in the fifth year because the Kansas Legislature froze tax revenues after statewide reappraisal of property in 1989.

So why does Johnson County Community College need another tax increase?

It depends on whom you ask.

Half the college board of trustees acknowledged the only reason for this year's tax increase is to maintain a cushion of cash. 'It's simply to "provide some margin of safety," says board

member Mary Lou Taylor.

"It's growth," said board Chairman Jean Hunter. Hunter said the tax money would help pay for a science building expansion.

A college news release issued at the time of the latest tax increase gave a different version. It said it was to "meet increases in the daily costs of running the school."

In spite of increased costs, the college has had surpluses of \$16 million to \$17 million for the last three fiscal years, college officials acknowledge.

That puzzles and angers board member Molly Baumgardner, who asks: "How is it every year we raise taxes and every year we have more money carried forward? We're not in the savings busi-

Robert Prater, director of financial services, said the \$17 million "beginning balance" this year was intentionally accumulated to pay for building projects and avoid a 'sudden jump in the mill levy to fund these projects."

Prater said the carryover is projected to drop to \$6.6 million by next July, the lowest reserve the college will have had in years.

Property taxes pay for about 46 percent of the college's budget. But taxpayers haven't complained about the annual tax boosts. college President Charles Carlsen said.

"The bottom line is based on our revenue and what we wanted to expend," Carlsen said of the latest half-mill increase.

But Johnson Countians don't ordinarily get to vote on such tax

increases, Carlsen acknowleged.

Kansas community colleges and their elected boards determine whether a tax increase is needed. Only when they issue general obligation bonds for new construction does the public get to

In JCCC's 22-year history, that has happened only once, when the campus was first built. The college has avoided such votes since then because it is allowed by state law to levy a "capital outlay" tax for constructing buildings. Now at 1.36 mills, it represents about one-seventh of the property taxes the college levies.

wisely," Hunter said.

In fact, the college builds more buildings even if there is not enough money in the outlay fund - and still avoids a public vote. To build the new Cultural Education Center, for instance, the college issued \$13.5 million in general obligation bonds and is using the proceeds from the almost 10 percent — and that is capital outlay tax to pay them off.

'It allows us to build a building earlier," Prater explained.

Few taxpayers probably know they can file protest petitions requiring a public vote on capital outlay taxes. And no one ever has against Johnson County Community College.

A conservative budget

The biggest reason for annual tax increases may be what college officials acknowledge are extremely conservative revenue projec-

for example, also assures a built-in been (growing) maybe at 10 carryover. It anticipates revenues of \$75 million. Expenses are Carlsen said. He acknowledged

College treasure chest

As state aid and taxes continue to climb, so does Johnson County Community College's surplus of money left over at the end of each budget year.

	Local taxes raised	Surplus
	1989 — \$20,9 million	\$16.4 million
		\$17.0 millio
1990-91 — \$7.80 million (est.)	1991 - \$24.5 million (est.)	\$17.2 millio
1990-91 — \$7.80 million (•sc)	ni half-mill increase approved and	- 学品域物
	assessed valuation rises 2 percen	0

Sources: JCCC, Johnson County Treasurer, Kansas Dapt, of Education

pegged at only \$68 million.

Here is how college officials "We think we've used it built their budget and projected revenues:

First, the college estimated that the county's assessed valuation of property - a key element in how many tax dollars are raised would rise by only 2 percent.

Yet County Appraiser Chuck Blow said the county's \$2.5 billion in assessed valuation actually rose no estimate.

Blow acknowledges that the percentage will drop after some taxpayers appeal their assessmenof about 5 percent - twice as much as the college projected.

Even if the college froze taxes at current levels, it still would get about \$1 million more simply because property values are rising, county officials said.

Second, college officials estimated only a 4 percent increase in student credit hours.

Yet enrollment jumps in past The college's 1991-92 budget, years have been much higher. "It's percent for the last five years,"

that enrollment "will probably be higher" than 4 percent. Higher enrollments mean more money for the college.

Third, the college estimates a 3.3 percent decrease in state aid and \$910,738 less income from motor vehicle taxes funneled to the college through the county.

Yet, even with a 3.3 percent decrease in state aid, the college projects it still will receive nearly \$250,000 more than last year because state aid is based on student enrollments, which are going up. And if they rise beyond the college's 4 percent estimate, ts. But he still expects an increase the school gets even more state

Johnson County officials also now expect to collect \$1 million more in motor vehicle taxes than originally forecast, although the total will be less than previous years. So again, the college may not lose as much as expected.

Finally, the other revenue the college expects to drop is investment income, which usually is considerable. Last month the college reported earning about \$2 million on the roughly \$28 million it has invested in area banks.

Yet Hunter and most other trustees expressed confidence in the conservative revenue projections, arguing that they are fiscally responsible.

Even with a surplus, overestimating revenues that aren't forthcoming could be disastrous for the college, especially in a period of growth, Hunter said.

"I prefer having the money

Too much to remember

Sometimes the college has so much money, the board doesn't always know where it is.

In January, the college had \$787,000 more than it needed in a special fund used to pay off bonds used to build the original campus. The board voted to transfer the money into its general fund, contrary to two state attorney general's opinions that such cash could be used only to pay off outstanding general obligation bonds.

When reporters for The Star questioned the transfer in May, college officials insisted they had never moved the money, something several of the board members didn't even know. At its June 17 meeting, the board reversed its initial decision in order to comply with the attorney general's opinions, of which they were unaware.

At the same meeting, Prater, the director of financial services, also told the board the college somehow forgot to include the windfall - now totaling \$840,000 - in its budget projections.

"It's absolutely incredible that nearly \$1 million could somehow be forgotten," Baumgardner said





LEGISLATIVE HOTLINE 1-800-432-3924



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TESTIMONY

SENATE CHAMBER

February 18, 1992

SENATE EDUCATION COMMITTEE

Chairman Harder and Members of the Committee:

Thank you for the opportunity to submit testimony in support of SB 596. The bill provides for an extention of six additional months in order to qualify as residents for tuition purposes. Other higher education institutions have more stringent residency guide lines, and the provisions in this bill would assist those counties who are unfairly being charged by short term residents.

The second main component of the bill could help in avoidance of unnecessary duplication of course offerings between community colleges and other state educational institutions.

SB 596 offers more fair treatment of county residents through ensuring stricter eligibility standards. Thank you for the opportunity to allow my intern to testify.

Senator Lana Oleen

Intern Matt Oleen

EDUC. 21/8/92 A2

STATE OFFICE
KANSAS CAPITOL, ROOM 143N
TOPEKA, KANSAS 66612
(913) 296-7360 [JAN.-APRIL]



KANSAS ASSOCIATION OF COMMUNITY COLLEGES

Jayhawk Tower, Suite 901 • 700 S.W. Jackson • Topeka, KS 66603

W. Merle Hill Executive Director Phone 913/357-5156 Fax 913/357-5157

To:

Senate Committee on Education

From:

Merle Hill

Date:

February 18, 1992

Subj:

AN ACT CONCERNING COMMUNITY COLLEGES: SENATE \mathtt{BILL} NO. 596, RELATING TO RESIDENCE ofSTUDENTS TUITION, OUT-DISTRICT FOR TUITION, AND STATE AID PURPOSES: IMPOSING CONDITIONS

TEACHING OF SUBJECTS AND COURSES IN CERTAIN COUNTIES

Mr. Chairman, members of the Committee, I am Merle Hill, executive director of the Kansas Association of Community Colleges. Thank you very much for giving our association members the opportunity to express their concerns about Senate Bill No. 596, a bill they believe is not needed.

Senate Bill No. 596 does three things:

- 1. It changes from six to 12 months the residency requirement for students enrolled at Kansas community colleges.
- 2. It eliminates out-district tuition for counties in which the main campus of a state educational institution is located and has the state pick up the out-district tuition liabilities of such counties in the form of out-district state aid.
- 3. It requires the chief administrative officer of a state educational institution to authorize community colleges to offer courses of instruction <u>inside</u> the "regents' county" for which out-district tuition is charged (and out-district state aid paid).

When Senate Bill No. 403 was passed in 1971 and the six-month residency requirement was established, it was in recognition of the penalty tax-paying citizens residing in community college taxing districts had to pay by waiting a full year before their state residency was recognized. Former out-of-state residents who claim Kansas residency after six months in order to be eligible for in-state tuition at community

colleges are required to prove their legal residency to the community colleges.

At Johnson County Community Colleges, for example, when an entering student gives a Douglas County address as his/her place of residence, the College refuses to accept a dormitory address as the permanent residence, and no out-district tuition is billed to Douglas County. If that student's permanent address is some other Kansas county, the out-district billing is sent to the home county.

Johnson County Community College personnel do not challenge a student who gives a Douglas County apartment building as the residence, since many citizens of Douglas County do live in apartments. The College's personnel do challenge any prospective student whose "residency dates" are too conveniently near a six-month period and require proof of residency. This proof can be in the form of a utility bill paid at least six months ago, a work check stubb verifying employment at least six months ago, etc.

Foreign students who give Douglas County as their place of residence and are on F-l visa status are considered out-of-state students, and no out-district tuition billing is submitted. There are some foreign students, however, who carry diplomatic passports and they are legal residents of whichever county they give as their place of residence.

A number of students enrolled at The University of Kansas cannot find places in certain classes, and their University counselors frequently encourage them to try to find places in classes at Johnson County Community College. Unless these students are bona fide residents of Douglas County, however, no out-district tuition is billed.

As you know, The University of Kansas does not offer what most community colleges refer to as "career courses." Hotel and Food Management at Johnson County Community College is a big attraction, as are the College's other "career" programs. Again, out-district tuition is billed only for bona fide residents of Douglas County or for those who have satisfactorily proved they have satisfied the six-month residency requirement.

When I asked the Dean of Student Personnel Services at Johnson County Community

College how many students she thought "slipped through the residency net," she said she thought there would not be more than a handful, perhaps five or six.

For several years, the Kansas Association of Community Colleges sought the elimination of out-district tuition in <u>all Kansas counties</u> and having the state assume the counties' out-district liablilities, completing an action the state initiated in 1973 when it assumed one half of the out-district tuition liability of all counties. The Association members do not believe it appropriate, however, for 81 non-community college counties to continue to have to pay out-district tuition and for seven counties (Douglas, Crawford, Lyon, Sedgwick, Riley, Saline and Ellis) to have the state assume their out-district tuition liabilities.

The Kansas Supreme Court, in a sense, agrees, witness its decision in State, ex rel. v. Lyon County Commissioners. That case was originally filed by Robert Stephan, Attorney General of Kansas, on behalf of the State v. The Board of County Commissioners of Lyon County, Kansas. Later, Washburn University of Topeka was allowed to intervene at a plaintiff and all 19 community colleges were also allowed to intervene as plaintiffs. Former Senate President Robert Talkington of Iola was the councel for the plaintiffs before the Supreme Court.

The Court's decision ended as follows:

"We conclude that the county cannot challenge the community colleges' compliance with the law in the fashion here asserted and that the county does not have standing to raise this issue. The appropriate avenue of challenge, if any, is through the state board of education. We see no reason to permit every county required to pay out-district tuition to challenge the manner of operation and degree of compliance with law of each of the community colleges." (Emphasis added) [Kansas, Vol. 234, p. 741]

With relation to a "sign-off" for community college courses offered <u>inside</u> a county in which a state educational institution is located, the community colleges have honored since 1977 the agreement between the colleges and the state universities

relative to this matter. In addition, the State Board of Education requires such a "sign-off" before it authorizes payment for state credit hour aid and out-district tuition.

Currently, I know of no community college offering courses in Douglas County, and only Cloud County Community College teaches any courses, four this semester, in Riley County. All Cloud County Community College courses being taught in Riley County have the appropriate authorization from both President Wefald and the State Board of Education.

In Crawford County both Labette Community College and Fort Scott Community College offer courses, courses which used to be offered by Pittsburg State University, and President Wilson has "signed off" on them.

In Lyon County there is a consortium agreement between Emporia State University, Flint Hills Area Vocational-technical School and Butler County Community College. Just last Wednesday, the State Board of Education approved an extension of this agreement.

In Ellis County Barton County Community College may soon be offering all remedial instruction for Fort Hays State University. Just last Tuesday, officials from both institutions met in Hays to discuss the implementation of this remedial program on the Fort Hays State University campus.

In Sedgwick County there is a voluntary consortium, made up of Wichita State University, Butler County Community College, Cowley County Community College, Pratt Community College, Hutchinson Community College and Dodge City Community College. All courses now being offered for credit hour aid and for which out-district tuition is billed are approved by the consortium, headed by President Armstrong of Wichita State University.

Just this morning, I was notified by an official in the State Board of Education that course approval for three courses (English Composition, Intermediate Algebra and Psychology) from Cloud County Community College to be offered in Salina would not receive approval because President Wefald had not "signed off" on them. Several other courses (Computer Applications, Ceramics and BASIC) do have approval from President Wefald and will be approved by the State Board of Education.

2/18/92 A3-4 The members of the Kansas Association of Community Colleges believe there are sufficient regulations and agreements already in place to address the three concerns expressed in Senate Bill No. 596 and see no need for these proposed statute changes. They urge you to consider the bill unfavorable for passage.

I shall be pleased to stand for questions. Thank you.

EDUC 2/18/92 43-5

Kansas State Board of Education

120 S.E. 10th Avenue, Topeka, Kansas 66612-1182

February 18, 1992

TO:

Senate Education Committee

FROM:

State Board of Education

SUBJECT:

1992 Senate Bill 596

My name is Connie Hubbell, Legislative Coordinator of the State Board of Education. I appreciate the opportunity to appear before this Committee on behalf of the State Board.

The State Board of Education is very concerned about Section 7(b) of Senate Bill 596 which provides the following.

"No out-district tuition shall be based upon or charged for credit hours in any subject or course which is taught in a county in which the main campus of a state educational institution is located, unless the teaching of such subject or course is specifically authorized by the chief administrative officer of the state educational institution. The chief administrative officer of each state educational institution may designate and authorize a person or committee to act on behalf of the chief administrative officer in granting the authorizations required by this subsection."

Many community college students may enroll in a course or subjects that are taught at one of the state institutions but not at the time and the location when the students can take the course. This type of provision would have the effect of reducing out-district tuition to community colleges, increasing their mill levies in the community college district, or reducing other expenditures to compensate for the loss of revenue from students living in counties in which the main campus of a state educational institution is located.

The total mill levies for the community colleges vary from 8.9 mills to 32.8 mills.

Loss of this revenue will work a hardship particularly on some of the poor counties.

Although I am not an authority on this subject, it appears that if students enrolled in state educational institutions, Senate Bill 596 would have the effect of increasing their state aid.

Due to the loss of revenue and the inconvenience this may cause students, the State Board of Education recommends you report Senate Bill 596 adversely.

EDUC 3/18/92 A4

Dale M. Dennis
Deputy/Assistant Commissioner
Division of Fiscal Services and Quality Control
(913) 296-3871