



KANSAS ASSOCIATION OF COMMUNITY COLLEGES

19 Colleges - One Voice

Opponent Testimony on House Bill 2523 Before the House Higher Education Budget Committee

Thank you for the opportunity to provide testimony on House Bill 2523. **I want to be clear: Kansas Community Colleges support voluntary, locally driven affiliation models when they are mutually beneficial and responsive to community needs.** Kansas community college and colleges and universities within the state have a long history of collaboration. Permissive affiliation can be a valuable tool when used thoughtfully and flexibly. This bill suggests that community and technical colleges would be the only institutions affiliating when it's possible that a college could want to affiliate with one of these institutions instead. Affiliations or mergers work best when two partners who respect each other as co-equals chart a path together rather than assuming one is lesser or subservient to the other.

The reason heard most about the need for this bill is that a college does not have to go through the legislative process. Community colleges find this argument without merit because if the affiliation is planned well, communicated well, and would benefit the state of Kansas the legislature can act relatively quickly. If outside of the legislative session, there would be opportunity to present to interim committees to begin education prior to the session to hit the ground running in January. The negotiation phase and Higher Learning Commission evaluation phase is likely to take far longer than the Kansas Legislature in finalizing their approval. When the WSU Tech affiliation happened, it took more than one legislative session because there was significant legislative concern at the time. While frustrating to those wishing to move more quickly, the time it took to get the legislature comfortable with the agreement resulted in a better outcome and a stronger institutional affiliation moving forward. Not all affiliations may be beneficial to the state of Kansas, and the legislature, as the appropriators need to have the ability to review the agreement to ensure it is in the best interest of the state rather than funds being committed through this bill without the legislature's approval. Delegating legislative fiscal decisions to a non-elected board would set new precedent in terms of appropriation decisions.

While HB 2523 is framed as enabling affiliation, the bill as drafted raises **significant technical, governance, and fiscal concerns that ultimately constrain—not facilitate—the ability of institutions to negotiate and implement the best possible affiliation arrangements.**

1. The bill substitutes statutory mandates for negotiated agreements

- The board retains responsibility for campus operations and administration of funds, but without full statutory authority and guardrails established in municipal or state finance.
- Ultimate control rests with the affiliating institution, creating **dual lines of responsibility without clear accountability.**
- Many powers traditionally exercised by locally elected trustees become subject to external approval, limiting local responsiveness.

This structure is not merely permissive; it **predetermines governance outcomes** that would normally be central points of negotiation in any affiliation agreement, rather than allowing those matters to be determined through negotiated agreements between willing partners.

Key elements that are typically central to affiliation negotiations are either pre-determined or sharply constrained by statute—such as:

- transfer of authority,
- governance roles,
- employee reporting and hiring structures,
- funding mechanisms,
- treatment of assets and indebtedness, and
- long-term fiscal responsibility

This approach limits institutional flexibility and discourages innovation, particularly in rural or regionally distinct communities where one-size-fits-all solutions do not work. What may work in a metro area looks very different in rural parts of our state. Even the needs between rural areas of our state can differ significantly. The resources and assets of all higher education institutions are also so different whereas this bill seems to suggest that a one size fits all approach would best serve the state of Kansas when the industry needs of our state vary significantly and likely need highly tailored solutions to ensure workforce needs are met in the most fiscally responsible way possible.

Affiliation works best when institutions can tailor agreements to local conditions and desires. HB 2523 instead prescribes outcomes that may be incompatible with the needs of many communities as well as colleges and universities.

2. Governance and control provisions are internally inconsistent

The bill creates **conflicting governance structures**, particularly for community colleges. While boards of trustees are nominally retained, many core statutory powers are transferred to the affiliating university or college, leaving boards with operational responsibility but diminished authority.

This creates uncertainty around:

- the board of trustees hiring of the president,
- lack of clarity about reporting structures,
- transfer of KPERS benefits as the universities are not on the KPERS system,
- who is ultimately accountable for decisions,
- how conflicts are resolved, and
- how local oversight is meaningfully preserved.

3. Mandatory elimination of taxing authority fundamentally alters the community college model

HB 2523 removes the authority of affiliated community colleges to levy property taxes and shifts the responsibility for funding to the state.

This is a significant technical departure from existing statute and raises unresolved considerations:

- The bill does not define how the state will replace locally generated revenues on an ongoing basis.
- There is no mechanism addressing enrollment volatility, capital needs, or cost escalation.
- Local voters lose a direct governance and accountability connection to the institution.

For many community colleges, taxing authority is not simply a revenue source—it is a core element of the governance compact between the college and its community. Conditioning affiliation on the elimination of that authority materially constrains institutional choice.

4. Service area elimination disrupts long-standing statutory coordination

Section 4 nullifies all existing service area policies and prohibits the creation of new ones. From a technical standpoint, this:

- Overrides decades of cooperative agreements among community colleges and state colleges,
- Removes an important planning tool used to manage duplication and ensure efficient use of resources,
- Creates uncertainty regarding enrollment expectations, state funding formulas, and program planning.

Such ambiguity is likely to complicate—not streamline—affiliation discussions and may expose institutions to legal and operational risk.

5. Fiscal and tax provisions introduce uncertainty and unintended consequences

HB 2523 eliminates local taxing authority for affiliated community colleges and shifts funding responsibility to the state, without clearly defining:

- the mechanism for buildings to be maintained and no provision to replace the local capital outlay mill levy,
- the long term ownership of buildings which are locally owned,
- the term campus buildings being broadly used when community college buildings are often shared community resources and shared by multiple entities,
- long-term state obligations,
- how debt could be handled if the local board had no way to raise funds,

This creates significant uncertainty for both institutions and taxpayers and removes a critical tool that local boards use to respond to community needs. These provisions are not simply permissive; they **materially alter the fiscal structure of community colleges** as a condition of affiliation and would likely result in NO affiliations because of their overly prescriptive nature. **All of these items are best negotiated locally and each item may need to be handled differently depending on the situation. This bill would hinder not help more colleges to affiliate.**

6. Mandatory elimination of service areas undermines coordination and planning

With the statutory voiding of all existing service area policies, the bill disrupts long-standing agreements that help prevent duplication, manage enrollment, and support regional planning. Service areas have historically been addressed through policy and inter-institutional agreement. Eliminating them by statute removes flexibility and may create unintended competitive pressures among public institutions.

This section of the bill has nothing to do with the rest of the sections. Service areas have historically been resolved through cooperation among institutions. Eliminating them wholesale—without regard to local context—creates confusion and may exacerbate competition rather than collaboration. For example, if Pratt Community College and Barclay College decided to affiliate this bill would eliminate the service area for the University of Kansas. This makes no sense, will create immediate duplication and spending by multiple institutions marketing in the same area for the same programs, and does not serve Kansas taxpayers well.

7. The bill may hinder affiliation rather than encourage it

Ironically, by over-prescribing the long list of items that need to be considered as part of affiliation, HB 2523 may **discourage institutions from pursuing affiliations at all**. Institutions considering partnership need the ability to explore options, model scenarios, and negotiate terms that make sense for the affiliating institutions and the communities they serve. This bill replaces that flexibility with rigid statutory outcomes that may not align with institutional missions, community expectations, and the needs of the State of Kansas.

Conclusion

Kansas Community Colleges **support permissive affiliation authority** with the correct structures surrounding it and welcome the legislative approval which we believe is necessary on this issue. However, HB 2523 goes well beyond enabling permissive affiliations and instead restructures governance, finance, and authority in ways that are insufficiently flexible, technically problematic, and will result in less affiliations not more. It also assumes that community and technical colleges would be the ones to affiliate and does not contemplate a college affiliating within the two year sector. This bill will deter affiliations not accelerate them.

For these reasons, we respectfully urge the Committee to **not advance HB 2523 in its current form but am happy to work with anyone on amendments that would strengthen the bill and parameters for voluntary affiliations. I stand committed to working with any of our community colleges who desire affiliation. Through that process community colleges will** work with stakeholders to develop a framework that:

- truly preserves local negotiation and recognizes that one size does not fit all in these situations,
- respects institutional diversity, and
- allows affiliation to occur when—and only when—it is the right solution for the colleges involved and the State of Kansas ensuring there are no unintended consequences and students being able to obtain the education they need to meet the needs of the Kansas workforce and fiscal responsibility are at the forefront of all decisions

Thank you for the opportunity to provide this testimony. If you have any questions please do not hesitate to contact Heather Morgan at 913-683-9946 or hmorgan@kacct.