



Postsecondary Technical Education Authority: State Aid to Community and Technical Colleges for Technical and Non-Technical Courses

Elaine Frisbie, Vice President for Finance & Administration

February 23, 2023

Kansas Board of Regents
Building a Future for Kansas Families, Businesses and the Economy



Instructional Cost Model

- ★ Prior to 2011, state funding for community and technical colleges was patchworked together – laws were pieced together over 40 years.
- ★ **2011 Senate Bill 143**
 - ★ Created a new postsecondary technical education formula for technical courses as well as transfer or general education (“non-technical”) courses.
 - ★ The Postsecondary Technical Education Authority voted to adopt the cost model framework June 10, 2009:



Instructional Cost Model

Adopt Tiered Cost Model

Member Grier discussed the Tiered Cost Model for funding technical education. He called on Ms. Duffy and Ms. Ressel to lay out the suggested approach.

Dawn Ressel explained that with the passage of HB 2003 by the 2009 Legislature the proviso language with regard to a new funding approach for technical education is now law. The charge is.... “To develop and recommend to the state board of regents (the Board) a credit hour funding distribution formula for postsecondary technical training education 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. Furthermore, the Authority shall establish and recommend to the state board of regents the rates to be used in such funding distribution formula.” Staff has tiered courses in concert with teams of people from the institutions to ensure consistency. Staff is now requesting approval of the cost model framework to continue further work with model refinement and the development of a plan to transition the cost model to a funding request.

Ms. Ressel then reviewed the elements of the model which are: 1) Instructor Cost, 2) extraordinary costs and 3) Indirect Costs. She also explained the data sources involved. The issue paper is attached and made a part of these minutes.

After lengthy discussion, Member Estes made a motion to adopt the tiered cost model framework with the understanding that additional work will be completed over the course of the summer and fall regarding the actual implementation, potential incentives, and policy issues. Following the second of Chairman Glassman the motion carried.



Instructional Cost Model

★ 2011 Senate Bill 143, continued

- ★ The cost model identifies the colleges' direct and indirect expenses to deliver technical and non-technical courses to Kansas resident students.
- ★ It is not intended to address colleges' costs for non-resident students or other campus functions such as student unions, residence halls or athletics.
- ★ Annual inflation adjustments are applied throughout so that colleges' increased costs over time are recognized.
- ★ The cost model is also used to calculate colleges' state aid amounts for high school students in technical courses ("2012 Senate Bill 155").



Instructional Cost Model

★ 2011 Senate Bill 143, continued

- ★ The cost model also identifies how costs are to be financed for those Kansas resident students:
 - ★ Community College In-District Credit Hours = 1/3 student, 1/3 property tax, 1/3 state
 - ★ Community College Out-District Credit Hours = 1/3 student, 2/3 state
 - ★ All Technical College Credit Hours = 1/3 student, 2/3 state
 - ★ Secondary Students in Excel in CTE = 100% state



Instructional Cost Model

★ How are Instructional Costs Calculated in the Model?

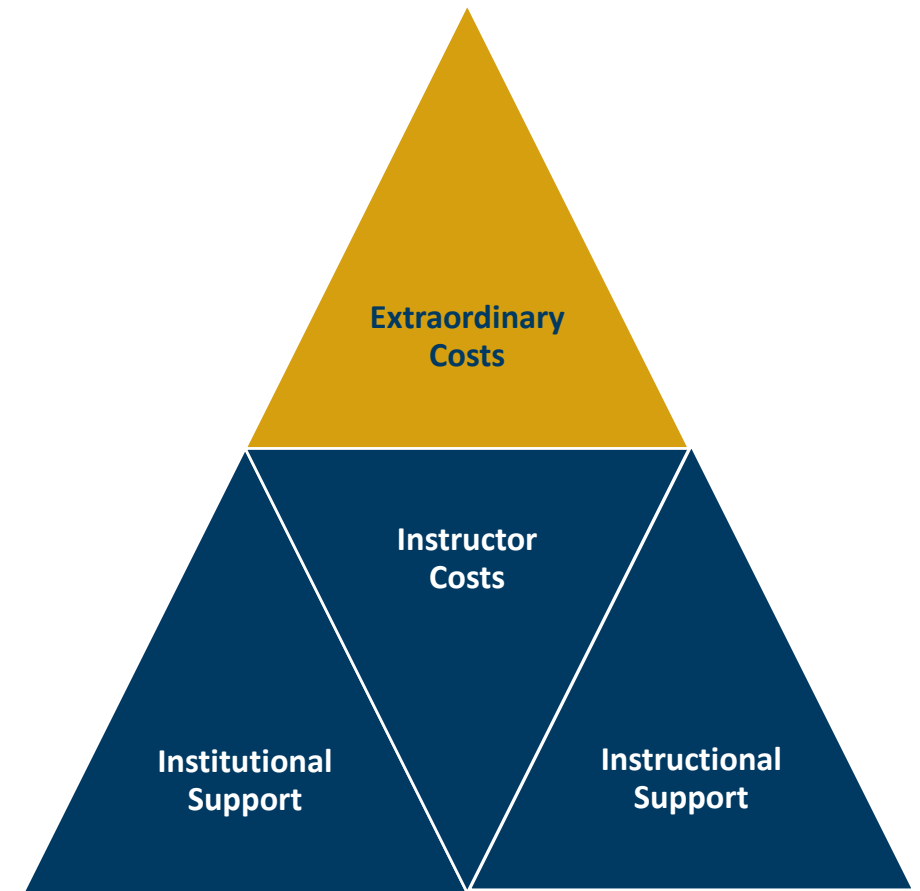
At the course level:

Tiered Courses

Instructor Costs + Instructional Support Costs +
Institutional Support Costs + **Extraordinary Costs**
= \$ Course Rate

Non-Tiered Courses

Instructor Costs + Instructional Support Costs +
Institutional Support Costs
= \$ Course Rate



Course Rate X Eligible Student Credit Hours =
Total Course Cost

Total Course Costs are aggregated at the
college to calculate total costs.



Instructional Cost Model

★ Course Rate Elements

		Costs	Description	Source of Data
Non-Tiered Courses	Tiered Courses	Instructor	Three-year average of most recent data received for instructors' salaries and benefits	National Higher Education Benchmarking Institute, housed at Johnson County Community College
		Instructional Support	Student services, academic support and public service activities of the institution	Kansas community and technical colleges' annual financial audits and published in Board of Regents' data books
		Institutional Support	Administration activities of the institution and operation and maintenance of campus physical plant	Kansas community and technical colleges' annual financial audits and published in Board of Regents' data books
N/A		Extraordinary	Specialized equipment & materials necessary to deliver technical ("tiered") courses	Kansas community and technical colleges; colleges identified programs with "extraordinary" costs and submitted five years of actual expenditure data. Costs based on these data were grouped into course tiers and adjusted annually for inflation, with periodic data refreshes for actual costs, with the exception of several allied health programs in Fall 2022.



Instructional Cost Model

- ★ Every course is assigned a composite rate each year.
- ★ The 25 composite rates over the six tiers plus the non-tiered rate are adjusted over time for inflation and/or based upon actual expense data provided by the colleges.

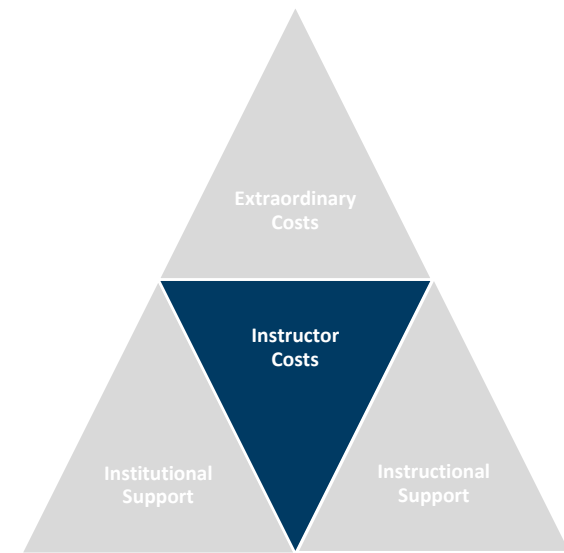
Composite Rates	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Change 2021-2022	Change 2011-2022
Non-Tiered	\$146	\$146	\$147	\$155	\$162	\$172	\$183	\$199	\$207	\$208	\$222	\$222	\$0	\$76
1	\$174	\$179	\$173	\$181	\$184	\$195	\$211	\$228	\$229	\$234	\$261	\$265	\$4	\$91
1	\$200	\$206	\$200	\$208	\$212	\$223	\$239	\$257	\$259	\$265	\$292	\$297	\$5	\$97
1	\$227	\$233	\$228	\$235	\$240	\$251	\$268	\$286	\$288	\$294	\$322	\$329	\$7	\$102
1	\$279	\$287	\$283	\$289	\$296	\$307	\$324	\$343	\$347	\$354	\$382	\$392	\$10	\$113
2	\$198	\$202	\$197	\$207	\$213	\$227	\$239	\$259	\$267	\$273	\$297	\$302	\$5	\$104
2	\$224	\$229	\$224	\$234	\$241	\$255	\$267	\$288	\$297	\$304	\$328	\$334	\$6	\$110
2	\$251	\$256	\$252	\$261	\$269	\$283	\$296	\$317	\$326	\$333	\$358	\$366	\$8	\$115
2	\$303	\$310	\$307	\$315	\$325	\$339	\$352	\$374	\$385	\$393	\$418	\$429	\$11	\$126
3	\$212	\$211	\$211	\$220	\$229	\$239	\$251	\$273	\$283	\$289	\$312	\$318	\$6	\$106
3	\$238	\$238	\$238	\$247	\$257	\$267	\$279	\$302	\$313	\$320	\$343	\$350	\$7	\$112
3	\$265	\$265	\$266	\$274	\$285	\$295	\$308	\$331	\$342	\$349	\$373	\$382	\$9	\$117
3	\$317	\$319	\$321	\$328	\$341	\$351	\$364	\$388	\$401	\$409	\$433	\$445	\$12	\$128
4	\$219	\$224	\$219	\$229	\$238	\$253	\$264	\$284	\$298	\$306	\$321	\$329	\$8	\$110
4	\$245	\$251	\$246	\$256	\$266	\$281	\$292	\$313	\$328	\$337	\$352	\$361	\$9	\$116
4	\$272	\$278	\$274	\$283	\$294	\$309	\$321	\$342	\$357	\$366	\$382	\$393	\$11	\$121
4	\$324	\$332	\$329	\$337	\$350	\$365	\$377	\$399	\$416	\$426	\$442	\$456	\$14	\$132
5	\$232	\$235	\$230	\$243	\$250	\$269	\$277	\$294	\$310	\$319	\$339	\$345	\$6	\$113
5	\$258	\$262	\$257	\$270	\$278	\$297	\$305	\$323	\$340	\$350	\$370	\$377	\$7	\$119
5	\$285	\$289	\$285	\$297	\$306	\$325	\$334	\$352	\$369	\$379	\$400	\$409	\$9	\$124
5	\$337	\$343	\$340	\$351	\$362	\$381	\$390	\$409	\$428	\$439	\$460	\$472	\$12	\$135
6	\$270	\$274	\$272	\$292	\$322	\$350	\$351	\$356	\$379	\$389	\$398	\$386	(\$12)	\$116
6	\$296	\$301	\$299	\$319	\$350	\$378	\$379	\$385	\$409	\$420	\$429	\$418	(\$11)	\$122
6	\$323	\$328	\$327	\$346	\$378	\$406	\$408	\$414	\$438	\$449	\$459	\$450	(\$9)	\$127
6	\$375	\$382	\$382	\$400	\$434	\$462	\$464	\$471	\$497	\$509	\$519	\$513	(\$6)	\$138



Instructional Cost Model

★ Instructors

- ★ This element captures colleges' costs for faculty – salaries and employee benefits.
- ★ The data used are a three-year average of the most recent data from the Cost & Productivity Project.
- ★ Based on actual reported costs.
- ★ Not every Kansas community and technical college participates in the study.
- ★ Source: National Higher Education Benchmarking Institute





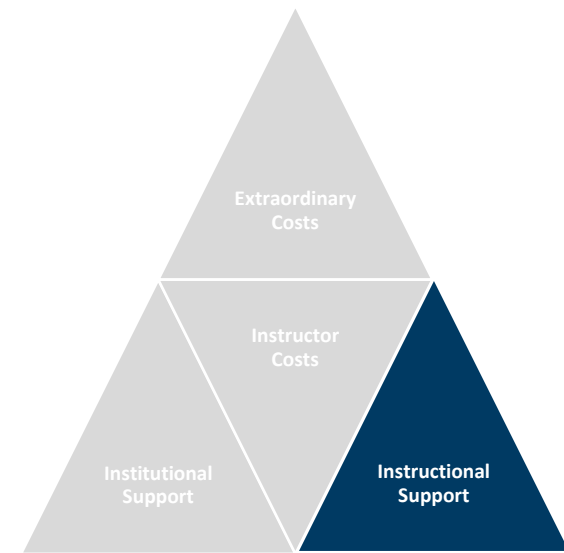
Instructional Cost Model

★ Instructional Support Costs

- ★ This element captures colleges' costs associated with academic support and student services.

$$\begin{aligned} & (Student\ Services + Academic\ Support \\ & + Public\ Service) \div (Total\ Operating\ Expenses \\ & - Auxiliary\ Enterprises \\ & - Scholarships\ \&\ Financial\ Aid) \end{aligned}$$

- ★ For 2022 cost model data, the instructional support rate is \$49/credit hour.
- ★ Source: Kansas community and technical colleges' annual financial audits.





Instructional Cost Model

★ Institutional Support Costs

- ★ This element captures costs to manage the college and operate and maintain the campus infrastructure.

(Institutional Support

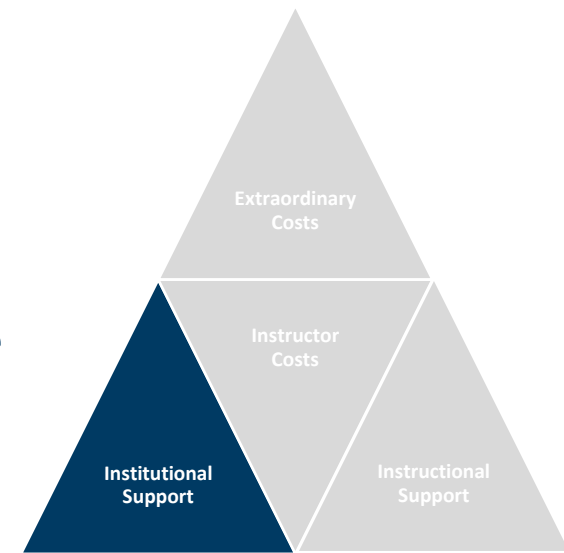
+ Operation and Maintenance of Physical Plant)

÷ (Total Operating Expenses

– Auxiliary Enterprises

– Scholarships & Financial Aid)

- ★ For 2022 cost model data, the institutional support rate is \$58/credit hour.
- ★ Source: Kansas community and technical colleges' annual financial audits.



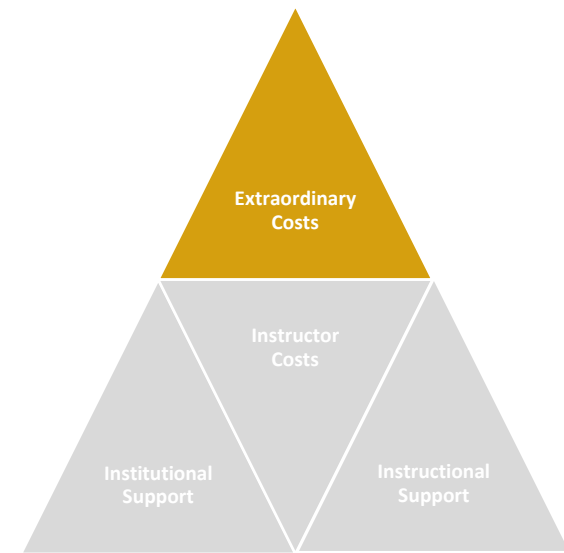


Instructional Cost Model

★ **Extraordinary Costs**

★ Those “required, program-specific equipment and consumable materials for technical courses in technical programs”

- ★ Kansas community and technical colleges identified the programs with “extraordinary” costs and submitted five years of actual expenditure data.
- ★ Costs based on these data were grouped into tiers.
- ★ The costs are adjusted annually either for inflation or for actual expenses, depending on the timing of the review cycle.
- ★ Extraordinary costs vary by course tier from \$0 to \$127 for 2022 cost model data.





Instructional Cost Model

★ Extraordinary Costs

★ KBOR staff periodically collect actual cost data from the colleges to refresh the rates.

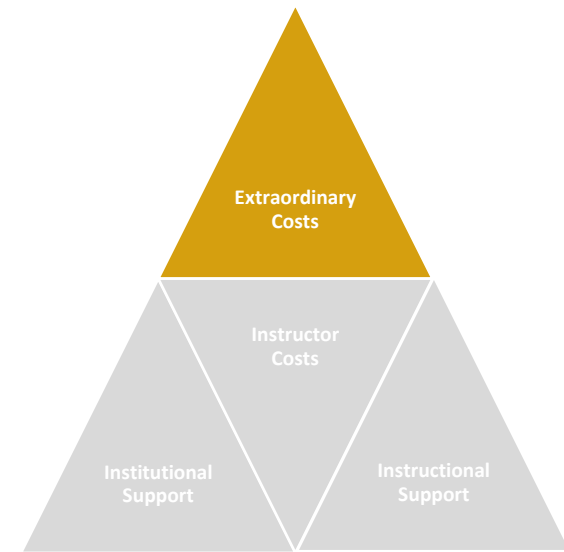
★ In 2020 and 2021, there were two rounds of updates to extraordinary costs:

★ Round 1: 40 programs were unchanged; 24 programs were increased; 14 programs were reduced

★ Round 2: 26 programs were unchanged; 19 programs were increased; 14 programs were reduced

★ **Round 3 was placed on hold by the TEA**

★ 19 programs were to remain unchanged; 6 programs were to increase; **6 programs were to decrease (PT assistant, EMT, EMT Paramedic, RN, LPN, Health Occupations Technology)**





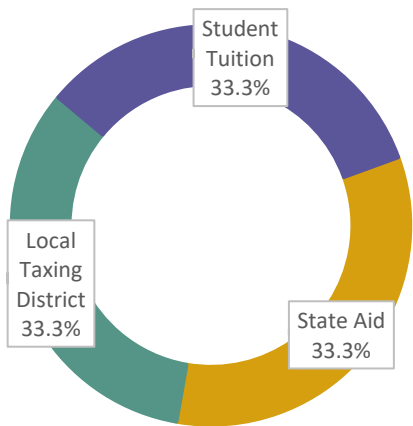
Instructional Cost Model

★ Financing of the Costs

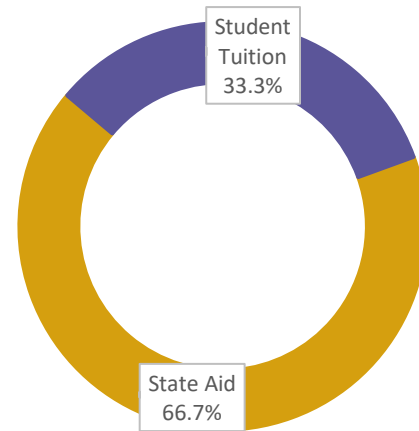
How is the Financing Determined?

At the Student Credit Hour (SCH) level.

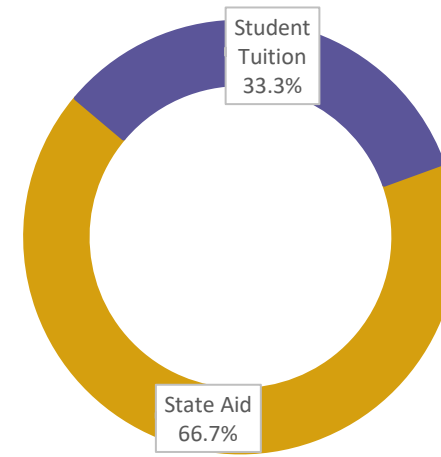
Community College In-District SCH



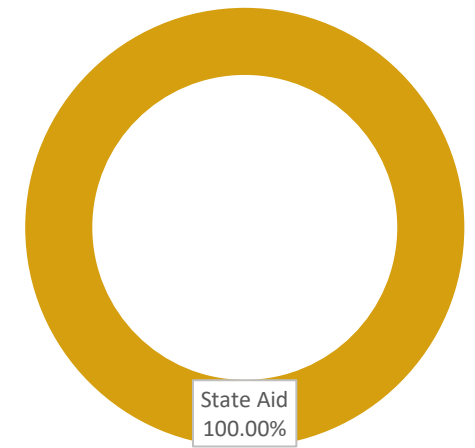
Community College Out-District SCH



All Technical College SCH



Secondary Students in Excel in CTE SCH





Instructional Cost Model

★ Example Students – In-District vs. Out-District

- ★ John is an In-District Student at Green Valley Community College, studying Computer and Information Systems, taking Applied Networking 1, (Composite Rate 1)
- ★ KBOR Calculated Composite Rate is \$297, multiplied by 2 credit hours = \$594 total
- ★ The state's share of the financing would be \$198 (1/3 of the course rate)
- ★ Jane is a Student at Russell Area Technical College, studying Wind Energy Technology, taking Small Wind Turbine, (Composite Rate 2)
- ★ KBOR Calculated Composite Rate is \$265, multiplied by 3 credit hours = \$795 total
- ★ The state's share of the financing would be \$530 (2/3 of the course rate)



Instructional Cost Model

★ Instructional Cost Model for Kansas Resident Students

★ The Board of Regents distributed state aid in accordance with the statutes and budget provisos from FY 2012 through FY 2023.

★ An example from 2013 SB 171 is shown for the tiered appropriation.

Postsecondary tiered technical education state aid \$58,300,961

Provided, That if the amount of moneys appropriated for the above agency for the fiscal year ending June 30, 2014, in the postsecondary tiered technical education state aid account is greater than the amount of moneys appropriated for the above agency for the fiscal year ending June 30, 2013, in the postsecondary tiered technical education state aid account, then the difference between the amount of moneys appropriated for the fiscal year 2014 and the amount of moneys appropriated for the above agency fiscal year 2013 shall be distributed based on each eligible institution's calculated gap, according to the postsecondary tiered technical education state aid act, K.S.A. 2012 Supp. 71-1801 through 71-1810, and amendments thereto, as determined by the state board of regents:

Provided further, That no eligible institution shall receive an amount of money from the postsecondary tiered technical education state aid account in fiscal year 2014 that is less than the amount such eligible institution received from such account in fiscal year 2013, unless the amount of moneys appropriated for the above agency for fiscal year 2013 in the postsecondary tiered technical education state aid account for fiscal year 2014 is less than the amount of moneys appropriated for the above agency for fiscal year 2013 in the postsecondary tiered technical education state aid account: ~~And provided further~~.

That if the amount of moneys appropriated for the above agency for fiscal year 2014 is less than the amount of moneys appropriated for the above agency for fiscal year 2013 in the postsecondary tiered technical education state aid account, then each eligible institution shall receive an amount of moneys as determined by the state board of regents.



Instructional Cost Model

★ FY 2023

- ★ 2022 Legislature provided adequate state funds to cover the state's share of AY 2021 student enrollments in FY 2023
- ★ No college had lower tiered or non-tiered state aid relative to FY 2022
- ★ If a college's enrollment resulted in lower state share calculations, the college's aid was held flat from FY 2022 to FY 2023
- ★ According to last year's appropriation bill, there is to be a three-year migration to full adoption of the instructional cost model:
 - ★ FY 2023 Colleges with no gap are held at FY 2022 state aid level ✓
 - ★ FY 2024 Colleges with no gap retain 50% of overfunding
 - ★ FY 2025 State aid is distributed according to the instructional cost model calculations



★ From Section 109(a), 2022
House Substitute for
Substitute for Senate Bill 267,
the Board of Regents'
appropriation.

Postsecondary tiered technical education
state aid (561-00-1000-0760).....\$66,064,478

Provided, That, notwithstanding the provisions of K.S.A. 71-1801 through 71-1810, and amendments thereto, or any other statute, the above agency shall distribute the moneys in the postsecondary tiered technical education state aid account in fiscal year 2023 so that each eligible institution shall receive an amount of moneys not less than such eligible institution received from the postsecondary tiered technical education state aid account in fiscal year 2022.

Non-tiered course credit
hour grant (561-00-1000-0550).....\$95,407,915

Provided, That the above agency shall distribute the moneys in the non-tiered course credit hour grant account in fiscal year 2023 so that each eligible institution shall receive an amount of moneys not less than such eligible institution received from the non-tiered course credit hour grant account in fiscal year 2022.





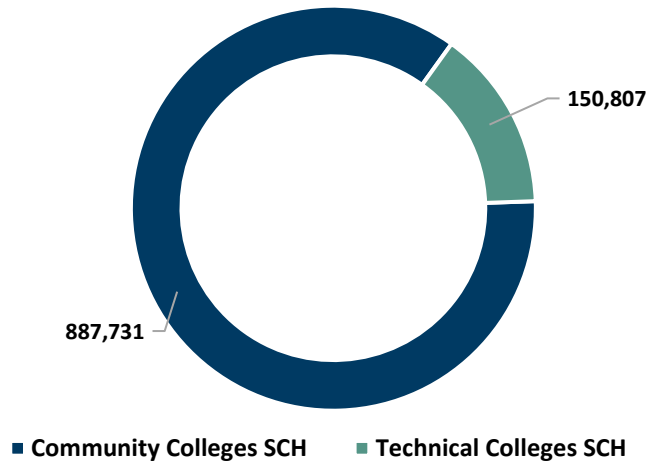
★ From Section 109(f), 2022 House Substitute for Substitute for Senate Bill 267, the Board of Regents' appropriation.

(f) During the fiscal year ending June 30, 2023, in addition to the other purpose for which expenditures may be made by the above agency from moneys appropriated from the state general fund or from any special revenue fund or funds for the above agency for fiscal year 2023 as authorized by this or other appropriation act of the 2022 regular session of the legislature, expenditures shall be made by the above agency from such moneys for fiscal year 2023 to implement the legislative intent: For fiscal year 2024, to implement the funding formula for the community colleges and technical colleges concerning the postsecondary tiered technical education state aid and non-tiered course credit hour grants so that those community colleges and technical colleges who were overfunded in fiscal year 2023 will receive 50% of the amount of such overfunding and the remaining 50% will be distributed based on each eligible institution's calculated gap; and for fiscal year 2025, to fully implement the funding formula for the community colleges and technical colleges concerning the postsecondary tiered technical education state aid and non-tiered course credit hour grants.

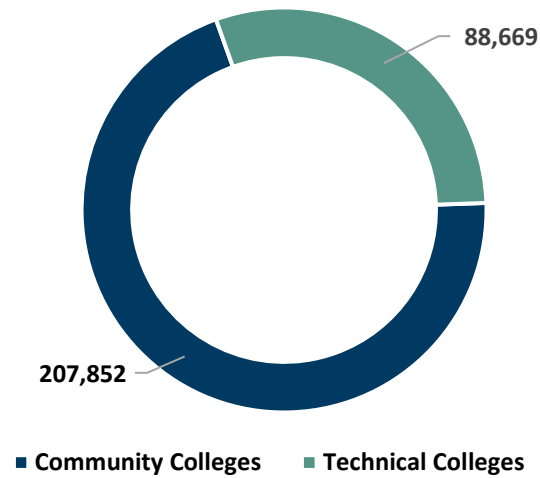


Instructional Cost Model

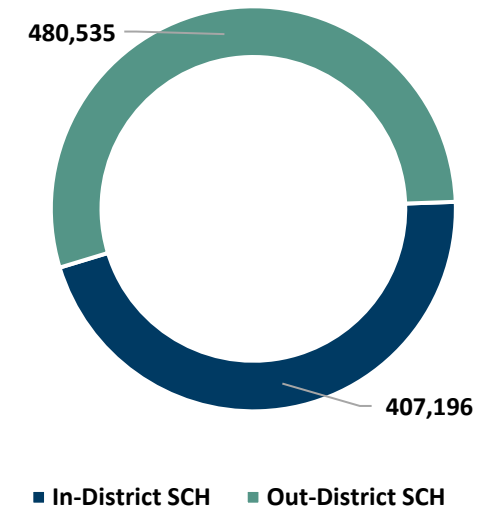
Community and Technical Colleges'
SCH Production
2021-2022



Tiered SCH Community and Technical Colleges
2021-2022



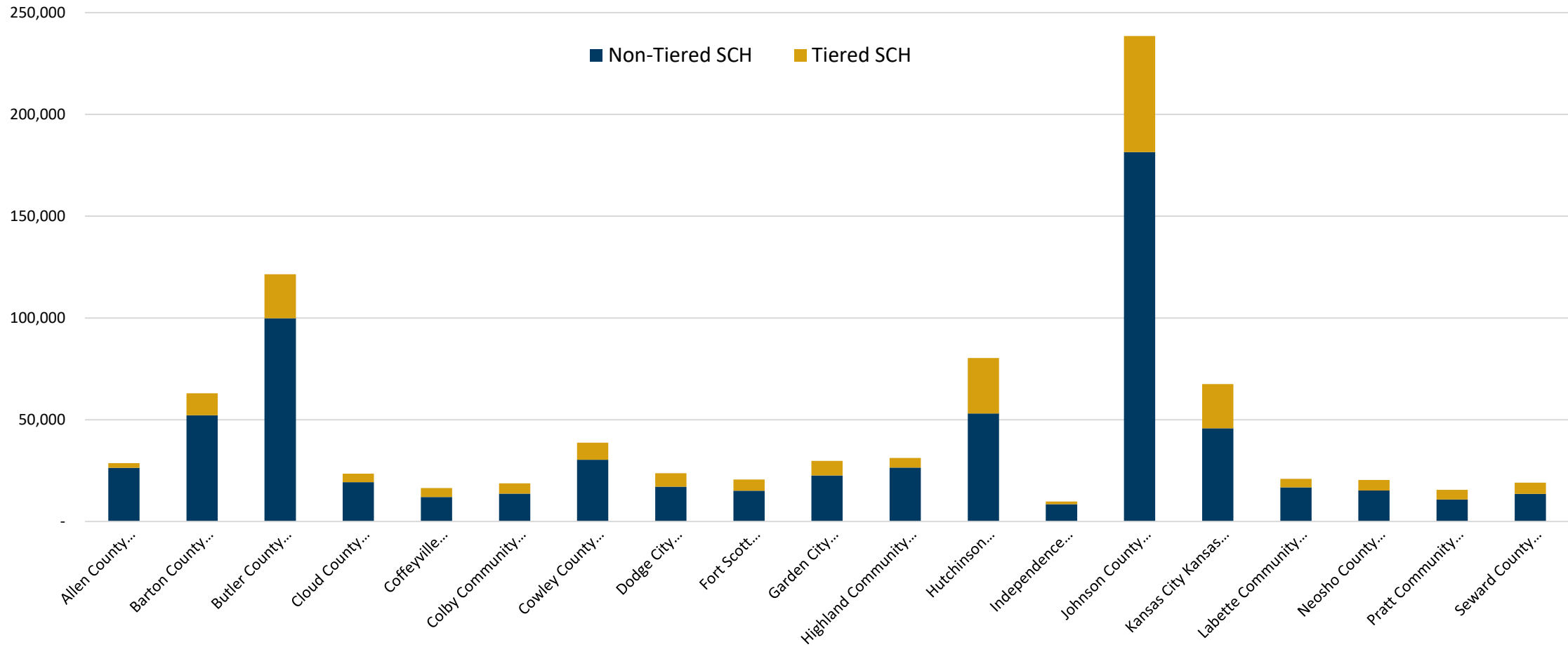
Community College In-District/Out-District
2021-2022





AY 2022 Enrollments

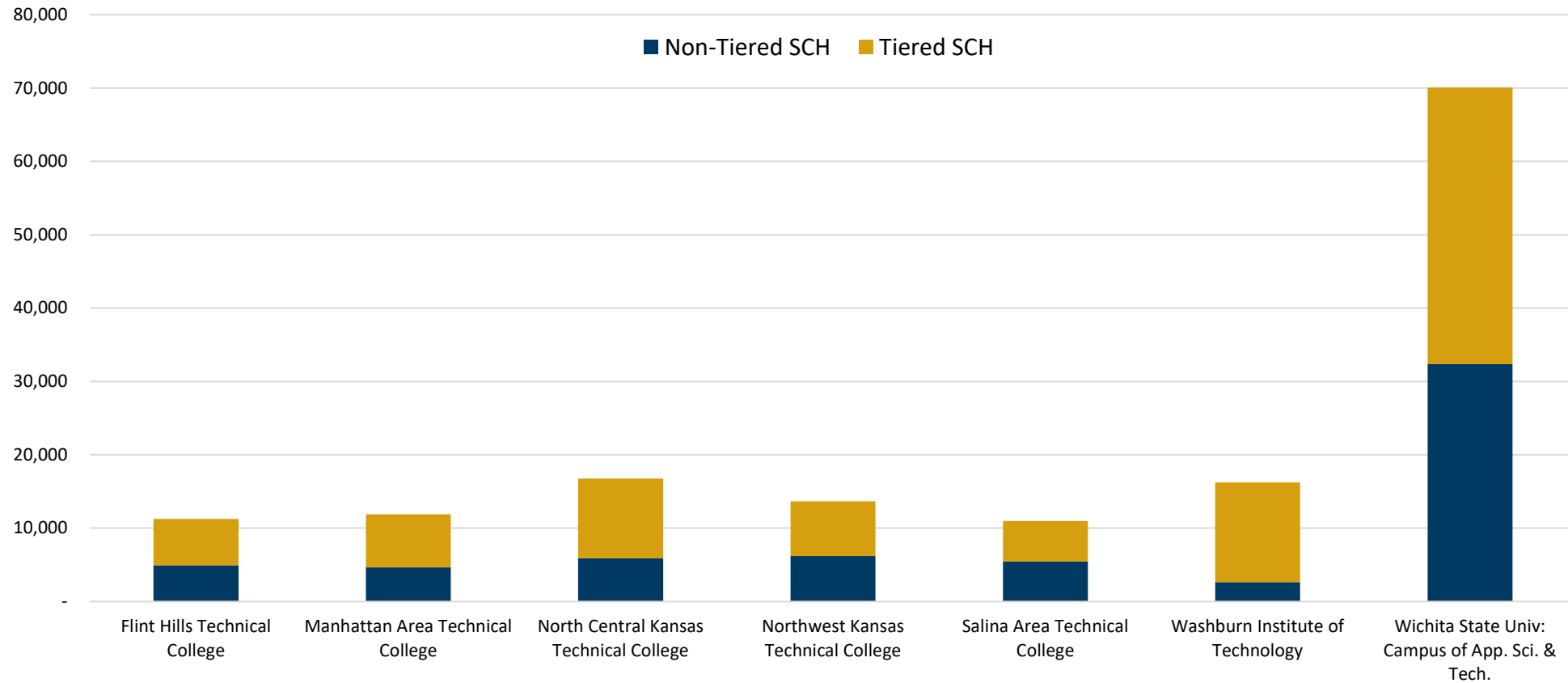
AY 2022 Student Credit Hours in Cost Model - Community Colleges





AY 2022 Enrollments

AY 2022 Student Credit Hours in Cost Model - Technical Colleges





More information can be found at

www.kansasregents.org => Data => System Data

Or

www.kansasregents.org => Data => Kansas Higher Ed Stats (KHEStats)

- Databooks for Each Sector
- Enrollment Reports
- Kansas Higher Education Statistics – self-serve reporting tool

Or contact our agency: 785-430-4240



Allen County Community College	
Tiered Student Credit Hours	
In-District	275.0
Out-District	2,080.0
Tiered Student Credit Hours	2,355.0
Non-Tiered Student Credit Hours	
In-District	3,782.0
Out-District	22,523.0
Non-Tiered Student Credit Hours	26,305.0
Total - Adult Students in Cost Model	28,660.0

Barton County Community College	
Tiered Student Credit Hours	
In-District	2,297.5
Out-District	8,493.0
Tiered Student Credit Hours	10,790.5
Non-Tiered Student Credit Hours	
In-District	8,207.5
Out-District	43,970.5
Non-Tiered Student Credit Hours	52,178.0
Total - Adult Students in Cost Model	62,968.5

Butler County Community College	
Tiered Student Credit Hours	
In-District	4,215.5
Out-District	17,453.0
Tiered Student Credit Hours	21,668.5
Non-Tiered Student Credit Hours	
In-District	21,482.5
Out-District	78,319.5
Non-Tiered Student Credit Hours	99,802.0
Total - Adult Students in Cost Model	121,470.5

Cloud County Community College	
Tiered Student Credit Hours	
In-District	675.0
Out-District	3,497.0
Tiered Student Credit Hours	4,172.0
Non-Tiered Student Credit Hours	
In-District	2,483.0
Out-District	16,840.0
Non-Tiered Student Credit Hours	19,323.0
Total - Adult Students in Cost Model	23,495.0

Coffeyville Community College	
Tiered Student Credit Hours	
In-District	1,684.0
Out-District	2,662.0
Tiered Student Credit Hours	4,346.0
Non-Tiered Student Credit Hours	
In-District	5,543.0
Out-District	6,487.0
Non-Tiered Student Credit Hours	12,030.0
Total - Adult Students in Cost Model	16,376.0

Colby Community College	
Tiered Student Credit Hours	
In-District	387.0
Out-District	4,730.0
Tiered Student Credit Hours	5,117.0
Non-Tiered Student Credit Hours	
In-District	2,503.0
Out-District	11,158.0
Non-Tiered Student Credit Hours	13,661.0
Total - Adult Students in Cost Model	18,778.0

Cowley County Community College	
Tiered Student Credit Hours	
In-District	2,733.0
Out-District	5,704.0
Tiered Student Credit Hours	8,437.0
Non-Tiered Student Credit Hours	
In-District	10,801.0
Out-District	19,466.0
Non-Tiered Student Credit Hours	30,267.0
Total - Adult Students in Cost Model	38,704.0

Dodge City Community College	
Tiered Student Credit Hours	
In-District	5,334.0
Out-District	1,232.0
Tiered Student Credit Hours	6,566.0
Non-Tiered Student Credit Hours	
In-District	12,005.0
Out-District	5,114.0
Non-Tiered Student Credit Hours	17,119.0
Total - Adult Students in Cost Model	23,685.0

Fort Scott Community College	
Tiered Student Credit Hours	
In-District	1,140.0
Out-District	4,364.0
Tiered Student Credit Hours	5,504.0
Non-Tiered Student Credit Hours	
In-District	5,297.0
Out-District	9,791.0
Non-Tiered Student Credit Hours	15,088.0
Total - Adult Students in Cost Model	20,592.0

Garden City Community College	
Tiered Student Credit Hours	
In-District	5,233.0
Out-District	1,881.0
Tiered Student Credit Hours	7,114.0
Non-Tiered Student Credit Hours	
In-District	19,155.0
Out-District	3,456.0
Non-Tiered Student Credit Hours	22,611.0
Total - Adult Students in Cost Model	29,725.0

Highland Community College	
Tiered Student Credit Hours	
In-District	0.0
Out-District	4,747.0
Tiered Student Credit Hours	4,747.0
Non-Tiered Student Credit Hours	
In-District	1,052.0
Out-District	25,456.0
Non-Tiered Student Credit Hours	26,508.0
Total - Adult Students in Cost Model	31,255.0

Hutchinson Community College	
Tiered Student Credit Hours	
In-District	9,201.5
Out-District	18,032.5
Tiered Student Credit Hours	27,234.0
Non-Tiered Student Credit Hours	
In-District	23,013.5
Out-District	30,013.0
Non-Tiered Student Credit Hours	53,026.5
Total - Adult Students in Cost Model	80,260.5

Independence Community College	
Tiered Student Credit Hours	
In-District	596.0
Out-District	702.0
Tiered Student Credit Hours	1,298.0
Non-Tiered Student Credit Hours	
In-District	4,186.0
Out-District	4,273.0
Non-Tiered Student Credit Hours	8,459.0
Total - Adult Students in Cost Model	9,757.0

Johnson County Community College	
Tiered Student Credit Hours	
In-District	42,911.0
Out-District	14,209.0
Tiered Student Credit Hours	57,120.0
Non-Tiered Student Credit Hours	
In-District	146,223.0
Out-District	35,231.0
Non-Tiered Student Credit Hours	181,454.0
Total - Adult Students in Cost Model	238,574.0

Kansas City Kansas Community College	
Tiered Student Credit Hours	
In-District	11,156.0
Out-District	10,529.0
Tiered Student Credit Hours	21,685.0
Non-Tiered Student Credit Hours	
In-District	26,002.0
Out-District	19,807.0
Non-Tiered Student Credit Hours	45,809.0
Total - Adult Students in Cost Model	67,494.0

Labette Community College	
Tiered Student Credit Hours	
In-District	1,313.0
Out-District	2,792.0
Tiered Student Credit Hours	4,105.0
Non-Tiered Student Credit Hours	
In-District	6,809.0
Out-District	9,991.0
Non-Tiered Student Credit Hours	16,800.0
Total - Adult Students in Cost Model	20,905.0

Student Credit Hour Production AY 2022 for Purposes of Instructional Cost Model

Neosho County Community College	
Tiered Student Credit Hours	
In-District	692.0
Out-District	4,581.0
Tiered Student Credit Hours	5,273.0
Non-Tiered Student Credit Hours	
In-District	3,771.0
Out-District	11,394.0
Non-Tiered Student Credit Hours	15,165.0
Total - Adult Students in Cost Model	20,438.0

Pratt Community College	
Tiered Student Credit Hours	
In-District	513.0
Out-District	4,253.0
Tiered Student Credit Hours	4,766.0
Non-Tiered Student Credit Hours	
In-District	2,939.5
Out-District	7,823.5
Non-Tiered Student Credit Hours	10,763.0
Total - Adult Students in Cost Model	15,529.0

Seward County Community College	
Tiered Student Credit Hours	
In-District	3,546.0
Out-District	2,008.0
Tiered Student Credit Hours	5,554.0
Non-Tiered Student Credit Hours	
In-District	8,038.0
Out-District	5,472.0
Non-Tiered Student Credit Hours	13,510.0
Total - Adult Students in Cost Model	19,064.0

Community College Sector Total	
Tiered Student Credit Hours	
In-District	93,902.5
Out-District	113,949.5
Tiered Student Credit Hours	207,852.0
Non-Tiered Student Credit Hours	
In-District	313,293.0
Out-District	366,585.5
Non-Tiered Student Credit Hours	679,878.5
Total - Adult Students in Cost Model	887,730.5

Flint Hills Technical College	
Tiered Student Credit Hours	
In-District	6,331.0
Out-District	0.0
Tiered Student Credit Hours	6,331.0
Non-Tiered Student Credit Hours	
In-District	4,915.0
Out-District	0.0
Non-Tiered Student Credit Hours	4,915.0
Total - Adult Students in Cost Model	11,246.0

Manhattan Area Technical College	
Tiered Student Credit Hours	
In-District	7,253.0
Out-District	0.0
Tiered Student Credit Hours	7,253.0
Non-Tiered Student Credit Hours	
In-District	4,647.0
Out-District	0.0
Non-Tiered Student Credit Hours	4,647.0
Total - Adult Students in Cost Model	11,900.0

North Central Kansas Technical College	
Tiered Student Credit Hours	
In-District	10,853.0
Out-District	0.0
Tiered Student Credit Hours	10,853.0
Non-Tiered Student Credit Hours	
In-District	5,894.0
Out-District	0.0
Non-Tiered Student Credit Hours	5,894.0
Total - Adult Students in Cost Model	16,747.0

Northwest Kansas Technical College	
Tiered Student Credit Hours	
In-District	7,453.0
Out-District	0.0
Tiered Student Credit Hours	7,453.0
Non-Tiered Student Credit Hours	
In-District	6,207.0
Out-District	0.0
Non-Tiered Student Credit Hours	6,207.0
Total - Adult Students in Cost Model	13,660.0

Student Credit Hour Production AY 2022 for Purposes of Instructional Cost Model

Salina Area Technical College	
Tiered Student Credit Hours	
In-District	5,516.0
Out-District	0.0
Tiered Student Credit Hours	5,516.0
Non-Tiered Student Credit Hours	
In-District	5,457.5
Out-District	0.0
Non-Tiered Student Credit Hours	5,457.5
Total - Adult Students in Cost Model	10,973.5
Wichita State Univ: Campus of App. Sci. & Tech.	
Tiered Student Credit Hours	
In-District	37,693.0
Out-District	0.0
Tiered Student Credit Hours	37,693.0
Non-Tiered Student Credit Hours	
In-District	32,371.0
Out-District	0.0
Non-Tiered Student Credit Hours	32,371.0
Total - Adult Students in Cost Model	70,064.0

Washburn Institute of Technology	
Tiered Student Credit Hours	
In-District	2,646.0
Out-District	0.0
Tiered Student Credit Hours	2,646.0
Non-Tiered Student Credit Hours	
In-District	13,570.0
Out-District	0.0
Non-Tiered Student Credit Hours	13,570.0
Total - Adult Students in Cost Model	16,216.0
Technical College Sector Total	
Tiered Student Credit Hours	
In-District	77,745.0
Out-District	0.0
Tiered Student Credit Hours	77,745.0
Non-Tiered Student Credit Hours	
In-District	73,061.5
Out-District	0.0
Non-Tiered Student Credit Hours	73,061.5
Total - Adult Students in Cost Model	150,806.5

Report of the Legislative Task Force on Community and Technical College State Funding to the 2023 Kansas Legislature

CHAIRPERSON: Representative Susan Humphries

VICE-CHAIRPERSON: Senator Molly Baumgardner

OTHER LEGISLATIVE MEMBERS: Senators Rick Billinger and Tom Hawk; and Representatives Troy Waymaster, Valdenia Winn (substitute member), Kathy Wolfe Moore, and Brandon Woodard

NON-LEGISLATIVE MEMBERS: Heather Morgan, Carter File, Alysia Johnston, Greg Nichols, Ben Schears, and Blake Flanders

CHARGE

Provisions in the 2022 Appropriations Bill (Section 109(g) of House Sub. for Sub. for SB 267) direct the Task Force to:

- Study the provision of state funding to the community and technical colleges in Kansas.

Legislative Task Force on Community and Technical College State Funding

REPORT

Conclusions and Recommendations

The Legislative Task Force on Community and Technical College State Funding makes the following recommendations:

- The Task Force recommends the Kansas Board of Regents (KBOR) use a three-year average (current academic year and two previous years) of data to calculate funding distributions for tiered and non-tiered education state aid rather than using a single previous year of data;
- The Task Force recommends the Legislature review the statutory definition of “new state money” as it relates to performance agreements and consider creating a new definition;
- The Task Force urges KBOR to review the current performance agreement process and consider creating a process that incentivizes larger goals rather than punishing colleges for not meeting metrics. The Task Force also recommends the Legislature consider funding the 2.0 percent performance incentive that was previously unfunded;
- The Task Force recommends the Legislature review and consider removing the proviso requiring funding for the Excel in Career Technical Education Initiative (SB 155) program to be distributed by KBOR within 60 days of the class start date;
- The Task Force recommends the Legislature grant KBOR auditing authority or utilize the Legislative Division of Post Audit process if audits are needed of the data inputted by colleges for the cost model calculation;
- The Task Force recommends the Legislature review statutes related to residency requirements and review where residency requirements for technical colleges originated and consider putting such requirements in statute;
- The Task Force recommends the Legislature add reappropriation authority to the tiered and non-tiered funding line items in the appropriations bill;
- The Task Force recommends the Legislature review the proviso prohibiting KBOR from transferring moneys between the tiered and non-tiered accounts; and
- The Task Force recommends the Legislature ensure the recentering of tiered and non-tiered education state aid funding occur as required in 2022 House. Sub. for Sub. for SB 267.

Proposed Legislation: None.

BACKGROUND

The Legislative Task Force on Community and Technical College State Funding (Task Force) was established by provisions in 2022 House Sub. for Sub. for SB 267, the 2022 appropriations bill, Section 109(g). The Task Force is composed of 13 members:

- Chairperson of the Senate Committee on Education;
- Chairperson of the Senate Committee on Ways and Means;
- Ranking Minority Member of the Senate Committee on Ways and Means;
- Chairperson of the House Committee on Appropriations;
- Ranking Minority Member of the House Committee on Appropriations;
- Chairperson of the House Committee on Higher Education Budget;
- Ranking Minority of the House Committee on Higher Education Budget;
- Three members representing the community colleges, appointed by the Kansas Association of Community College Trustees;
- Two members representing the technical colleges, appointed by the Kansas Association of Technical Colleges; and
- A member of the Kansas Board of Regents (KBOR).

The 2022 appropriations bill required the Task Force to review the provisions for state funding for community and technical colleges concerning the postsecondary tiered technical education state aid and non-tiered course credit hour grants described in Section 109(f) of the bill and other formula-related topics. The provisions state that legislative

intent for FY 2024 is to implement the funding formula for community and technical colleges concerning the postsecondary tiered technical education state aid and non-tiered course credit hour grants so that community and technical colleges that were overfunded according to the formula in FY 2023 will receive 50.0 percent of the amount of the overfunding in FY 2024.

For FY 2025, legislative intent is to fully implement the funding formula for the community and technical colleges concerning the postsecondary tiered technical education state aid and non-tiered course credit hour grants.

The Task Force is required to report its recommendations to the Senate Committee on Ways and Means and the House Committee on Higher Education Budget on or before January 9, 2023.

COMMITTEE ACTIVITIES

The Legislative Coordinating Council approved two meeting days for the Task Force in 2022. The Task Force met on August 30. The Task Force received presentations on the statutory procedure of the cost model for community and technical college state aid funding, calculation of the cost model, institutional performance agreements, and residency requirements. The majority of the meeting comprised Task Force member discussion of formula-related issues.

Overview of the Two-year College State Aid Funding Model

Statutory Overview

An Assistant Revisor of Statutes reviewed the statutory procedure of the funding system, a cost model, for community colleges and technical colleges. Funding both for the provision of general education and technical courses is determined using the cost model required by state law; funding for technical education takes into account additional costs to deliver those courses.

The postsecondary tiered technical education state aid is determined by the tiered technical course credit hours for students who are deemed Kansas residents using the statutory framework for

community colleges or rules and regulations for technical colleges. The cost calculation model is based on numerous factors and is set by KBOR. The non-tiered course credit hour grant amount is also set by KBOR.

The Assistant Revisor of Statutes noted the appropriations from FY 2023 to the tiered (\$66.0 million) and non-tiered (\$95.0 million) courses. Additionally, the Legislature directed KBOR to distribute funding in FY 2023 so that each institution would receive no less than what they received in FY 2022, with the directive that by FY 2025, the funding formula will be fully implemented.

Between FY 2023 and FY 2025, funds will be recentered among institutions to ensure each school is funded according to the cost model. In FY 2024, appropriations of institutions that are overfunded will be reduced by 50.0 percent of the overfunded amount. In FY 2025, all institutions will be funded according to the cost model.

Calculation of the Cost Model

A KBOR representative provided an overview of the history and calculation of the instructional cost model for Kansas resident students. For every tiered course, four factors determine course rate: instructor costs, instructional support costs, institutional costs (overhead), and extraordinary costs (equipment and infrastructure).

Non-tiered courses have three factors for course rates: instructor costs, instructional support costs, and institutional support costs. The course rate is then multiplied by the number of eligible student credit hours (SCH) to calculate total course costs.

Committee Discussion

Task Force members discussed the following issues related to funding:

- The under and overfunding of community and technical colleges and the proviso to balance funding so that underfunded colleges will receive full funding and overfunded colleges will receive funding according to the funding formula;

- The proviso requiring that each institution receive no less state aid funding than what they had the previous year, which had been in place for about ten years, and the disproportionality of funding that was created over time as schools grew and changed;
- Increased FY 2023 tiered and non-tiered appropriations by the Legislature and the provisos creating the recentering of funding process so that all colleges are funded according to the formula in FY 2025;
- Major differences in colleges across the state in terms of the number of out-of-district students and the differences in the calculating of funding related to in-district SCH and out-of-district SCH;
- Whether colleges have the opportunity to review their proposed funding allocation from KBOR and whether changes could be made if colleges noted any issues;
- The Excel in Career Technical Education Initiative (SB 155) program and a proviso requiring KBOR to distribute SB 155 funding to the colleges within 60 days of the class start date; and
- The three main funding sources of community colleges: local property taxes, tuition, and state aid. The technical colleges operate with two main funding sources: tuition and state aid.

Institutional Performance Agreements

An Assistant Revisor of Statutes provided information on institutional performance agreements. KBOR is charged with supervising performance measures, and the colleges were asked to develop institutional improvement plans showing how the performance indicators would be implemented and measured by each school. As of 2005, state law provides that each college's receipt of new state funds is contingent on compliance with the performance agreement.

Committee Discussion

Task Force members discussed the performance agreements in terms of the six measures. Three of the measures are chosen by each college from a list provided by KBOR. The other three measures are created by each college. The school must meet four out of six measures. Task Force members noted KBOR is currently reviewing the entire performance agreements process.

Residency Requirements

Community Colleges

An Assistant Revisor of Statutes provided information on statute and KBOR regulations for community college residency requirements related to state aid to Kansas students.

The basic requirement for Kansas student residency is to live in the state for six months prior to enrollment. In addition, active military service members, certain military service members who have established domiciliary residence, employees of a community college, persons having special domestic relations circumstances (such as a student whose parents are going through a divorce), persons who lost their resident status within 6 months of enrollment, students who were living in Kansas at graduation of high school or 12 months prior, and persons recruited for employment may be considered residents for state aid purposes.

Community and Technical Colleges

The Assistant Revisor of Statutes reviewed the rules and regulations that govern community and technical colleges residency determinations for state aid purposes, including the factors a college can consider when determining residency for state aid purposes, including payment of Kansas income taxes, ownership of a home in Kansas, and a registration to vote in Kansas.

Committee Discussion

Task Force members discussed the differences between the community college and the technical college residency requirements. Technical colleges do not count students who drive from another state as residents for purposes of state aid, but if those

students choose to move to and reside in Kansas, either in a dorm or apartment, then they are considered residents.

The technical college tuition for in-state and out-of-state students is the same, according to two presidents of technical colleges on the Task Force. Community college residency requirements were set in statute in 1972 and amended in 1999.

CONCLUSIONS AND RECOMMENDATIONS

Following discussion, the Task Force made the following recommendations:

- The Task Force recommends KBOR use a three-year average (current academic year and two previous years) of data to calculate funding distributions for tiered and non-tiered education state aid rather than using a single previous year of data;
- The Task Force recommends the Legislature review the statutory definition of “new state money” as it relates to performance agreements and consider creating a new definition;
- The Task Force urges KBOR to review the current performance agreement process and consider creating a process that incentivizes larger goals rather than punishing colleges for not meeting metrics. The Task Force also recommends the Legislature consider funding the 2.0 percent performance incentive that was previously unfunded;
- The Task Force recommends the Legislature review and consider removing the proviso requiring that funding for the Excel in Career Technical Education Initiative (SB 155) program be distributed by KBOR within 60 days of the class start date.
- The Task Force recommends the Legislature grant KBOR auditing authority or utilize the Legislative Division of Post Audit process if audits

are needed of the data inputted by colleges for cost model calculation;

- The Task Force recommends the Legislature review statutes related to residency requirements and review where residency requirements for technical colleges originated and consider putting such requirements in statute;
- The Task Force recommends the Legislature add reappropriation authority to the tiered and non-tiered funding line items in the appropriations bill;
- The Task Force recommends the Legislature review the proviso prohibiting KBOR from transferring moneys between the tiered and non-tiered accounts; and
- The Task Force recommends the Legislature ensure the recentering of tiered and non-tiered education state aid funding occur as required in 2022 House. Sub. for Sub. for SB 267.