

Postsecondary Technical Education Authority

AGENDA

Kansas Board of Regents
1000 SW Jackson, Suite 520
Topeka, KS

10:00 AM - THURSDAY, October 29, 2015

- I. CALL TO ORDER**
Approve Previous Minutes
September 24, 2015
Chair Frederick
- II. REPORTS**
- A. Introductions
Chair Frederick
 - B. Chair's Report
Chair Frederick
 - C. Member Liaison Reports
TEA Members
 - D. Vice President for Workforce Development Report
Vice President Johnson
- III. APPROVAL OF CONSENT AGENDA**
- A. **Technical Program and Curriculum Committee**
Chair Howell
 - Tiered to Non-Tiered Course Status Appeal
Associate Director Henry
- IV. CONSIDERATION OF DISCUSSION AGENDA**
- A. **Budget and Finance Committee**
Member Glassman
 - Review of Extraordinary Costs
Associate Director Chambers
 - Innovative Technology Grant Awards
Director Beene
- V. OTHER MATTERS**
- A. Workforce AID Update
Director Gruber
 - B. Tiered Funding Proviso Plan
Vice President Johnson
 - C. 2014 Kansas Training Information Program (K-TIP)
Associate Director Chambers
 - D. Outcome Metrics
Associate Director Chambers
 - E. Open Comment
- VI. ADJOURNMENT**

Tier/Non-Tier Course Status Appeals

Summary

During the September 24, 2015 TEA meeting, members approved the second round list of tiered courses to be moved to non-tiered status based on the course review process, statutory definitions, and conclusions of the Tiered/Non-Tiered Course Review Committee. During the month of October, appeals for the re-evaluation of five courses were submitted to the Board office. After review of the course appeals and administrative reviews and considerable discussion among committee members and representatives from the appealing institutions, the Program/Curriculum committee recommends the course status for Allied Health Anatomy and Physiology, remain as non-tiered as originally approved by the TEA. The Program/Curriculum committee recommends the course status for Clinical Topics and Procedures 1 and Clinical Topics and Procedures 2 move to tiered.

10/23/2015

Background

During the October 2014 TEA meeting members created a subcommittee to address the Tier/Non-Tier course designation criteria and the courses used in generating the Pro Forma 2 funding scenario. The subcommittee's conclusions included: 1) All courses on the first round list meet at least one criterion on the statute matrix to be moved from Tiered to Non-Tiered status, 2) An appeal process is available for institutions to request re-examination of any course to be moved from Tiered to Non-Tiered status on the first round list, and 3) The military courses on the first round course list should remain as tiered courses until further discussion could occur.

TEA Approval of Courses to be Moved to Non-Tiered Status

During the September 24, 2015 meeting, TEA members unanimously approved moving the courses on the Second Round Course Review list from tiered to non-tiered status, the appeal process for institutions to request re-examination of any course for which status were as follows:

- Completed course appeal forms must be submitted to the KBOR office by Friday, October 9, 2015
- Any appeals submitted will be presented and discussed at the October 23, 2015 TEA Program/Curriculum committee meeting. Recommended action will be forwarded to the TEA
- TEA to take final action at October 29 meeting
- TEA recommendation presented to KBOR for final approval on November 18, 2015.

Appeals

During the April 3, 2015 T/NT Course Reclassification Subcommittee meeting, members asked that a standardized appeal form be created and an established timeline for appealing any of the first round course changes be shared with all institutions. On September 28, 2015 a notice was sent to all institutions that included the timeline and form for submitting an appeal of the course status change for any courses on the second round list.

Program/Curriculum Committee Review and Recommendation

Copies of the appeal forms submitted and an in-depth administrative review for each course was shared with the members of the TEA Program/Curriculum committee for review and discussion during the October 23, 2015 committee meeting. After review of the course appeals and administrative reviews and considerable discussion, the Program/ Curriculum committee recommends the course status for Allied Health Anatomy and Physiology remain as non-tiered as originally approved by the TEA. The Program/Curriculum committee recommends Clinical Topics and Procedures 1 and Clinical Topics and Procedures, move to tiered.

STATUS REPORT ON EXTRAORDINARY COSTS REVIEW

Summary

Extraordinary costs are defined as “required, program-specific equipment and consumable materials” for technical program courses that are not accounted for in Instructor, Instructional or Institutional costs within the KBOR Cost Model. Current rates for extraordinary costs are \$0, \$27, \$54, and \$108 per credit hour. Extraordinary costs were originally captured in 2008 and have been adjusted using a Higher Education Price Index (HEPI) percentage increase over the past four years since a national data source for extraordinary costs does not exist.

The Technical Education Authority (TEA) approved the change in extraordinary cost for 15 programs during the August, 2014 meeting for the first round of programs. The second round of programs have been reviewed. Based on the data supplied by the institutions, variances between the current extraordinary cost rates and the actual system costs have been calculated, and the results are presented as an informational item for the TEA.

10/29/15

Cost Model Components

The model uses four main cost components—Instructor + Instructional Support + Institutional Support + Extraordinary Costs—to calculate a total per credit hour course composite rate. This rate is then multiplied by the number of eligible student credit hours (SCH) delivered. Currently there are 25 cost model composite rates which range from \$155/SCH (for non-tier courses) to \$400/SCH (highest rate for tier courses).

Components	Elements	Description
<u>Instructor Costs</u>	<ul style="list-style-type: none"> • Direct instructor costs • Tiered rates from CIP codes and cost study 	Program tier rates were based on an analysis of direct instructor costs as reported in the Cost and Productivity Study (previously known as the Kansas Study), a national instructor cost study conducted annually by Johnson County Community College. This study uses the classification of instructional programs (CIP) code to identify direct instructor costs (faculty salaries) for each program. These average costs are then grouped using a typical standard deviation model, creating six tiers. The rate for each tier is based on the average cost per credit hour of the programs in that tier, currently ranging from \$106 (tier 1) to \$217 (tier 6).
<u>Instructional Support Costs</u>	<ul style="list-style-type: none"> • Student and academic support services • Flat Rate 	This category captures costs associated with academic support and student services. The model uses data submitted by Kansas 2-year colleges and 2-year colleges in surrounding states to the Integrated Postsecondary Education Data System (IPEDS) to establish a cost for instructional support. This value is then used to establish a flat instructional support cost (23.20% x instructor costs at Tier 3) for each technical credit hour delivered.
<u>Extraordinary Costs</u>	<ul style="list-style-type: none"> • Costs for specialized equipment & materials • Level rates from cost study 	Technical education typically provides intensive, hands-on learning opportunities, often requiring additional supplies, materials and specialized equipment. The “extraordinary” amount is an additional per-credit value assigned to each program, based on the needs of the courses within the program. Institutions identified courses with intensive “extraordinary” costs and submitted 5 years of actual expenditure data reflecting these types of expenses. Costs based on these data were grouped. Credit hour rates fall in four levels ranging from \$0 (no extraordinary costs) to \$108 (Level C high extraordinary costs).
<u>Institutional Support Costs</u>	<ul style="list-style-type: none"> • Operation maintenance of physical plant, Administration • Flat Rate 	This category includes costs associated with administration, and operation and maintenance of the physical plant. The model uses data submitted by Kansas 2-year colleges and 2-year colleges in surrounding states to the Integrated Postsecondary Education Data System (IPEDS) to establish a cost for institutional support. This value is then used to establish a flat institutional support cost (28.20% x instructor costs at Tier 3) for each technical credit hour delivered.

Extraordinary Cost Calculation Methodology

A national data source does not exist for extraordinary cost calculations. A method to calculate extraordinary costs for a single credit hour was developed and approved by the TEA. Extraordinary costs are applied only to the occupationally specific tiered technical courses within individual technical programs. Variances between the current extraordinary cost rates applied to the selected programs and the system cost were calculated using the following methodology:

Total 5-year reported expenditures/annualized tiered credit hours/average number of concentrators/5 years = extraordinary cost rate

Total annual expenditure data over five years was submitted directly from institutions for each program, and based on the data supplied; a total five-year cost was calculated for each institution.

Tiered credit hours for each program were documented using program information entered by institutions in the KHEDS data system. Annualized tiered credit hours used for the calculation were derived based on the length of the program using the following matrix:

Certification/Degree offered	Based on Total CH for the program	Calculation
AAS	60 +	½ of the tiered Credit Hours
CERTC	45-59 Credit Hours	Tiered Credit Hours / 1.5
CERTB	30-44 Credit Hours	All of the tiered Credit Hours
CERTA	16-29 Credit Hours	All of the tiered Credit Hours
SAPP	Less than 16 Credit Hours	All of the tiered Credit Hours

Concentrators are those students passing at least 12 technical credit hours within their declared technical program major. Concentrators per program were identified using the K-TIP report for each academic year, and averaged to find the average number of concentrators for each institution.

The individual per credit cost amount was calculated for each institution. The institutional costs were then averaged to arrive at a system wide cost per credit hour for each program.

Significant variances were found when less than five full years of data were available and not considered reliable for documenting rate adjustments for the programs affected. Variances calculated for 15 of the 29 programs reviewed during the second round suggest adjustment to more closely mirror actual calculated costs. Calculation results for the second round of programs reviewed is provided on the following chart.

Program/CIP	Original Extraordinary Cost Rate	Total 5 year cost/ 1 year average number of required tiered credit hours/5 years/average number of concentrators	Recommended new Extraordinary Cost Rate for FY 2017
Equine Studies 01.0507	\$108.00	\$14.02	\$27.00
Equine Mgt. 01.0307	\$54.00	\$64.15	Remain \$54
Manufacturing Engineering Technology 15.0613	\$108.00	\$46.17	\$54.00
Electrical & Power Transmission Installation 46.0301	\$108.00	\$88.59	Remain \$108
Avionics Technology 47.0609	\$108.00	\$108.33	Remain \$108
Machining Technology 48.0501	\$108.00	\$99.48	Remain \$108
Numerical Control Programming 48.0503	\$108.00	\$0.00	\$0.00
CDL 49.0205	\$108.00	\$104.79	Remain \$108
Dental Hygiene 51.0602	\$108.00	\$64.05	\$54.00
Veterinary Tech 51.0808	\$108.00	\$82.87	Remain \$108
EMT: Basic 51.0810	\$108.00	\$27.08	\$27.00
Registered Nursing 51.3801	\$108.00	\$24.05	\$27.00
Practical Nursing 51.3901	\$108.00	\$24.05	\$27.00
Drafting and Design Tech 15.1301	\$27.00	\$29.54	Remain \$27
Computer Aided Drafting 15.1302	\$27.00	\$29.54	Remain \$27
Computer Drafting Tech 15.1303	\$27.00	\$29.54	Remain \$27
Dental Assistant 51.0601	\$27.00	\$68.88	\$54.00
Respiratory Therapist 51.0908	\$27.00	\$35.77	Remain \$27
Surgical Technology 51.0909	\$27.00	\$36.46	Remain \$27
Agriculture 01.0000	\$54.00	\$1.64	\$0.00
Farm & Ranch Mgt. Production 01.0104	\$54.00	\$48.76	Remain \$54
Production Agriculture 01.0301	\$54.00	\$5.94	\$0.00
Livestock Management & Merchandising 01.0302	\$54.00	\$4.84	\$0.00
Agronomy 01.1102	\$54.00	Insufficient Data to Change Designation	Remain \$54
Cosmetology 12.0401	\$54.00	\$35.30	\$27.00
Cosmetology - Nail Tech 12.0410	\$54.00	\$35.30	\$27.00
HVAC 47.0201	\$54.00	\$33.26	\$27.00
Agribusiness 01.0105	\$0.00	\$8.69	Remain \$0
Agriculture Business Management 01.0102	\$54.00	\$8.69	\$0.00

Plan for 3rd round review

KBOR staff will contact institution business officers to request actual costs on the 3rd round of programs. Below is the proposed timeline for the 3rd data collection period and review:

11/16/15	Send request to institutions to provide at least 5 years of expense data
1/1/16 – 3/25/16	Expense data collection period
4/1/16 – 7/1/16	WFD and Finance staff to compile and review institutional expense data submitted
7/5/16 – 7/29/16	WFD and Finance staff to recalculate extraordinary cost rates based on new compiled data
By 8/15/16	Present new extraordinary cost rates to Budget & Finance Committee
8/20/16	Present new extraordinary cost rate to Technical Education Authority (TEA)

Recommendation to Approve State Innovative Technology Grant Award 2016 State Innovative Technology & Internships Grants

FY 2016 Appropriation: \$179,284

Grant Timeframe: July 1, 2015 to June 30, 2016

Purpose: K.S.A. 72-4467 established the Kansas Technology Innovation and Internship program to provide funds to career technical institutions for start-up support for innovative technical courses or programs in emerging technologies, manufacturing or areas of skill shortages. These funds are appropriated on an annual basis and awarded to institutions through a competitive grant process.

Eligible Institutions: Public postsecondary career technical institutions delivering approved technical education programs in Kansas.

Criteria for Technology Grant Awards – Grants awarded shall meet the following conditions:

1. Private business must provide financial or in-kind support, or any combination thereof, to the career technical education institution equaling 100% of the amount of the grant (this match must come from a business other than the one who may sell technology equipment and/or services to the institution.)
2. The technical course or program must be new to Kansas, or if an equivalent course or program is already in existence in Kansas, the new course or program is not offered at a site within 100 miles of a site at which the existing, equivalent course or program is offered, and
3. The technical course or program must relate to a business or industry located in the service area of the career technical institution.
4. The technical course or program must relate to emerging technologies, manufacturing or documented areas of skill shortages.
5. Upon completion of the project, institutions receiving a grant award must submit all required reports and forms within the required timeframe.

The following is a summary of the proposals submitted and award amounts requested for consideration:

- **\$76,342 Washburn Institute of Technology**
Project: Requested grant funds will be used to enhance three programs to better serve business and industry with credentialed employees. The targeted programs are Diesel Technology, Commercial and Heavy Construction and Auto Collision. Grant funds will be used to purchase a “CDL course suitable” fifth wheel trailer with air brakes, allowing expanded/improved curriculum delivery and enhancement of the electronically control air suspension system training. In addition, a Pro-Link Heavy Duty Scanner certification kit will provide training needed for NC3 certification in Diagnostic Scanners.
Business/Industry Match: The required business/industry match for this project totals \$137,113 which includes a combination of a transit bus and engine from the Topeka Transit Authority, cash from the KCA Foundation and a dozer and dual compaction roller from CASE Construction. In addition, the Topeka Transit Authority is committed to interviewing successful graduates for Diesel Technician positions as well as serving on the Advisory Board. They will also preferentially hire those students who are NC3 certified in Pro-Link Scanners.
- **\$44,201 Johnson County Community College**
Project: Requested grant funds will be used to purchase both a Robotics/Computer Programming, and Flexible Manufacturing Learning system which support the Automation Engineering Technology program, preparing students to become electrical and electronics technicians. This program provides students in the Electrical Technology program training with courses in Industrial Maintenance, Industrial Robotics and Wiring. Following the completion of the program, students are required to take the Control Systems Technician Certification assessment which is an industry-recognized certification assessment administered through the International Society of Automation, and will have the option of taking the Journeyman Electrical Exam.
Business/Industry Match: The business/industry match by HP Pelzer is \$59,280, which supports a paid student internship program.

Recommendation:

KBOR staff have reviewed these proposals and recommend approval by the Technical Education Authority.

Workforce AID

Zoe Gruber
Director of Workforce Training & Education

Summary

Workforce AID is a pilot project led by the Kansas Department of Commerce, in partnership with the Kansas Board of Regents, to align workforce training and education with industry opportunities and demands. Employers drive the training process, outlining the skills employees need for success. Short term, highly focused training programs result in industry-recognized credentials and college credit – Right Training, Right Job, NOW.

An update on current projects, marketing campaign and recent activities in support of Workforce AID through the grant received from the US Chamber of Commerce Foundation will be provided.

POSTSECONDARY TIERED TECHNICAL EDUCATION STATE AID FUNDING PROVISIO PLAN

Summary

During the last legislative session, additional proviso language was attached to the Tiered Technical Education State Aid appropriation requiring the State Board of Regents to create a preliminary plan to fully implement the provisions of KSA 71-1803(a), in consultation with community colleges and technical colleges, according to the postsecondary tiered technical education state aid act by November 1, 2015 and submit a final plan to the Legislature by February 1, 2016.

The recommendations of the Tiered/Non-Tiered Course Reclassification Subcommittee were presented for discussion during the September TEA meeting and were recommended to be forwarded to the Kansas Board of Regents (Board) for consideration. Potential options of tiered technical education and for non-tiered course credit hour funding are presented to the TEA for consideration and inclusion among the recommendations to be forwarded to the Regents for consideration during their November 18, 2015 meeting.

10/29/2015

Background

The Tiered/Non-Tiered Course Reclassification Subcommittee recommendations regarding the “preliminary plan” to fully implement the tiered funding cost model, as required in the proviso attached to this appropriation, were presented to TEA members for discussion during the September 24, 2015 meeting. Members approved forwarding the committee’s recommendations (below) to the Regents for their consideration.

Tiered Technical Education Funding “Preliminary Plan” Recommendations;

- Recommend the Board include a request for an additional \$8.3 million for postsecondary tiered technical education state aid to fully fund the current (FY 2016) gap between the state share of the calculated costs and the current appropriated amount.
- Recommend any new funding appropriated to the account be distributed only to those institutions with a funding shortfall and that institutions with no funding shortfall would maintain their current base.
- Recommend a plan to begin to resolve the remaining funding distribution disparity for institutions still receiving less than their institution’s calculated state share (approximately \$2.9 million) be addressed the following year.
- Agree that non-tiered funding would be discussed and moved forward since there has been no additional non-tiered course funding received since the Non-Tiered Course Credit Hours Grants were established for FY 2012, and courses have been moved out of the tiered funding line into the non-tiered funding line during this time.

The Board discussed the recommendations on October 14, 2015, and expressed concerns that the option requiring new funding alone did not fulfill the legislative proviso requiring a plan to fully implement postsecondary tiered technical education state aid. The Board believed this recommendation can be one option and has requested the TEA bring forward additional options that fully implement the plan without new funds. They also ask that these additional options include a reasonable timeframe to achieve full implementation. Even though the proviso implementation plan requirement is specific to tiered technical education funding, the Board asked for potential options for non-tiered course credit hour funding for their consideration.

Tiered Technical Education Funding Distribution Options

In addition to the current distribution of this appropriation, funding distribution options, based on comments from the October 2015 Board meeting, are now presented to the TEA for consideration and

approval for the required “preliminary plan” to be forwarded to the Board. Potential options for both tiered and non-tiered funding based on varying funding scenarios include the following:

- 1) The previously agreed upon distribution for any additional funding appropriated,
- 2) Potential option for the redistribution of funding among the colleges using only the current appropriated amount (no new funding),
- 3) Potential option for the redistribution of funding among the colleges if the appropriated amount is reduced (less money).

Although the final options to be recommended for the “preliminary plan” may be implemented in incremental steps, the TEA will also need to recommend the timeline for achieving full implementation.

OUTCOME METRICS PILOT HIGHLIGHTS

Summary

Student attainment of industry-recognized credentials, employment of students after exiting postsecondary education, and the wages earned by students after exiting postsecondary education were identified as key technical program performance indicators by Kansas business and industry stakeholders, and approved as metrics for quality assessment of postsecondary CTE programs by the Kansas Technical Education Authority (TEA) and KBOR in the fall of 2012.

Using AY2013 data, eight programs in six institutions were recognized utilizing Carl D. Perkins grants funds with awards of \$7,500 per program as meeting or exceeding the targets for all three metrics. Additionally, the Outcome Metrics Performance Enhancement grant provided an opportunity for those programs that met at least one target to apply for grant funds to improve the current pilot program results at a maximum of \$1,000. The results of those grants are now available for discussion, and AY2014 institutional data is being finalized, specifically regarding the reporting of credentials earned by graduates exiting.

KBOR staff recommends a third year of the incentive pilot, expanding the pilot to all institutions to further develop reporting processes and improvement strategies. A full report of the AY2014 data for the 2nd year will be provided at the 12-10-15 TEA meeting, and this document provides an update of anticipated plans for discussion and feedback.

10/29/15

AY2013 Pilot Program Highlights

Utilizing the AY2013 institutional data, eight of the volunteered programs met the targets for all three metrics for the pilot of the Outcome Metrics program. These included:

Institution	Program	Program
Colby Community College	Physical Therapy Assistant	
Neosho County Community College	Registered Nursing	
North Central Kansas Technical College	Registered Nursing	Welding
Northwest Kansas Technical College	Automotive Technology	Diesel Technology
Salina Area Technical College	Welding	
Seward County Community College/Area Technical School	Registered Nursing	

Outcome Metrics Performance Enhancement grant funds were awarded and utilized for the following:

- Coffeyville Community College applied the grant funding towards hiring a full-time Career Placement Counselor to assist students in finding employment in their field following the completion of a training program.
- Colby Community College applied the funds towards the purchase of a Mettler machine and Sci-Fit equipment to enhance student ability to utilize these new technologies in the clinical setting.
- Neosho County Community College used the funds were to support the services of a nationally recognized curriculum consultant, to assist faculty with curriculum revision to concept-based curriculum for the Nursing Program.
- North Central Kansas Technical College utilized the grant funds to purchase new equipment for Welding and educational resources for Nursing programs on the Beloit and Hays campuses.

- Northwest Kansas Technical College utilized the funds to support the additional counseling hours with the existing part-time counselor.
- Salina Area Technical College utilized the grant funds to develop curriculum to specifically assist students in the training necessary to re-take WorkKeys certificates and the ASE third party credentials in Auto Collision Repair.
- Seward County Community College/Area Technical School utilized the grant funding to purchase of 100 Rosetta Stone language learning licenses.

Proposed 3rd year of Pilot

KBOR staff proposes to continue the pilot with the same 14 programs, but to expand the pilot to include all institutions. Each institution would participate in all programs that they offer which are in the pilot program list. Maintaining the existing program list for the pilot will assist in the continued work with DRP to build credential reporting structures and allow for year over year data comparisons. The participation of all institutions in the pilot will increase the development and sharing of best practices as well as allow access to incentive funding that may generate new processes for which needs are identified. Incentive funding would continue to be provided from the Carl D. Perkins grant, and will adjust according to availability and number of programs reaching targets. Staff proposes to recognize the programs at the existing pilot institutions meeting all three targets using AY2014 data, and continue to offer a grant for process improvement. If approved, staff proposes to launch to institutions via webinar in November.

Suggested timeline:

November 2015	Institutional review of Academic Year 2014 and Outcome Metrics Program Performance for Pilot Institutions
	Webinar available for all institutions to launch AY2015 Outcome Metrics Pilot
	Schedule meetings with institutions to answer questions, and discuss AY2014 data of programs, data reporting and improvement strategies
November 30, 2015 – January 15, 2016	Grant application window open for Outcome Metrics Performance Enhancement fund
January 18, 2016 – February 1, 2016	Review of grant proposals for Performance Enhancement funding and distribution
	Distribution of incentive funding to those existing pilot institutions identified as meeting or exceeding all three metrics based on AY2014 data
July – August 2016	Progress update on Employment and Wage targets (preliminary K-TIP)

Institutions currently participating in Outcome Metrics Pilot Program:

Coffeyville Community College	Colby Community College
Cowley Community College	Dodge City Community College
Neosho County Community College	North Central Kansas Technical College
Northwest Kansas Technical College	Pratt Community College
Salina Area Technical College	Seward County Community College/Area Technical School
Washburn Institute of Technology	

Programs currently included in Outcome Metrics Pilot Program:

Automotive Collision and Repair	Dental Hygiene	HVAC	Occupational Therapist Assistant	Welding
Automotive Technology	Diesel Technology	Practical Nursing	Registered Nursing	
Construction	Electrical Technology	Medical Assistant	Respiratory Therapy	