As Amended by Senate Committee

Session of 2011

SENATE BILL No. 143

By Committee on Education

AN ACT concerning postsecondary technical education; creating the postsecondary tiered technical education state aid act; amending K.S.A. 71-601, 71-620, 72-4480 and 72-6503 and repealing the existing sections; also repealing K.S.A. 71-613, 71-613a and 71-1706 and K.S.A. 2010 Supp. 72-4430, 72-4431 and 72-4432.

Be it enacted by the Legislature of the State of Kansas:

New Section 1. Sections 1 through 10, and amendments thereto, shall be known and may be cited as the postsecondary tiered technical education state aid act.

New Sec. 2. As used in sections 1 through 10, and amendments thereto:

(a) “Community college” means any community college established in accordance with chapter 71 of the Kansas Statutes Annotated.

(b) “Community college operating grant” means the operating grant provided for under subsection (a) of K.S.A. 71-620, and amendments thereto, prior to fiscal year 2012.

(c) (1) "Credit hour" means the basic unit of collegiate level instruction, as determined by the state board, in a subject or course offered by an eligible institution at a postsecondary level not higher than those programs or courses normally offered to freshmen and sophomores in four-year public institutions of postsecondary education, in a program that has been approved by the state board.

(2) The term “credit hour” does not include instruction in a program or course taken by a student enrolled for audit or not for postsecondary credit, or in any program or course not approved by the state board.

(3) The state board shall determine whether the programs and courses offered are at the level of freshmen and sophomore programs and courses offered in the state educational institutions and shall not approve for funding any program or course offered at a higher level.

(d) “Eligible institution” or “institution” means any community
(e) “Institute of technology,” “institute” or “Washburn institute of technology” means the institute of technology at Washburn university.

(f) “Non-tiered course” means any postsecondary credit-bearing course offered by an eligible institution and identified by the state board as not meeting the definition of a tiered technical course. Non-tiered courses include courses that are generally designed to: (1) Contribute to academic knowledge or skills across multiple disciplines and occupations, such as communication, writing, mathematics, humanities, social or behavioral science and natural or physical science courses, some of which may be considered for transfer as general education credit toward a baccalaureate degree; (2) contribute to general knowledge or skills in areas such as critical thinking and reasoning, problem solving, use of technology and teamwork skills; (3) provide instruction in basic or foundational skills necessary for individuals to effectively participate in technical programs; (4) prepare individuals for certification or licensure exams or re-certifications and skill updates; or (5) allow individuals to explore various career opportunities. Seminars, workshops or other courses that are supplemental to the primary instruction required for the occupationally specific technical program shall be considered non-tiered courses, unless otherwise specified by the state board.

(g) “State board of regents” or “state board” means the state board of regents provided for in the constitution of this state and established by K.S.A. 74-3202a, and amendments thereto.

(h) “Technical college” means a technical college designated pursuant to K.S.A. 72-4472, 72-4473, 72-4474, 72-4475, 72-4477 or 72-4477a, and amendments thereto.

(i) “Technical program” means any program of study comprised of a sequence of tiered technical courses and non-tiered courses, which program is identified by the state board as a technical program for funding purposes. Technical programs must: (1) Be designed to prepare individuals for gainful employment in current or emerging technical occupations requiring other than a baccalaureate or advanced degree; (2) lead to technical skill proficiency, an industry-recognized credential, a certificate or an associate degree; and (3) be delivered by an eligible institution.

(j) “Tiered technical course” means a postsecondary credit-bearing course included in the sequence of courses comprising a technical
program, which course is itself designed to provide competency-based
applied instruction to prepare individuals with occupationally specific
knowledge and skills necessary for employment, and which the state
board has identified as a tiered technical course.

(k) “Tiered technical course credit hour” means a credit hour in a
tiered technical course.

(l) “Washburn institute of technology operating grant” means any
legislative appropriation designated for non-tiered courses delivered by
the Washburn institute of technology.

New Sec. 3. (a) In each fiscal year, commencing with the 2012
fiscal year, each community college, technical college and the
Washburn institute of technology is eligible for postsecondary tiered
technical education state aid from the state general fund for
postsecondary tiered technical course credit hours approved by the state
board and delivered by the institution to students who are residents of
the state of Kansas, in an amount to be determined by the state board
using a credit hour cost calculation model that: (1) Is tiered to
recognize and support cost differentials in providing high-demand,
high-tech training; (2) takes into consideration target industries critical
to the Kansas economy; (3) is responsive to program growth; (4) takes
into consideration local taxing authority for credit hours generated by
in-district students; and (5) includes other factors and considerations as
deemed necessary or advisable by the state board. The state board shall
establish the rates to be used as the state’s share in a given year, as well
as in the actual distribution.

(b) For purposes of sections 1 through 10, and amendments
thereto, residency for all community college students shall be
determined in accordance with K.S.A. 71-406 and 71-407, and
amendments thereto, and residency for all technical college and
Washburn institute of technology students shall be determined in
accordance with laws or policies applicable to those institutions.

(c) In fiscal year 2012, any portion of the appropriation for
postsecondary tiered technical education state aid that an institution
actually receives that is in excess of the amount of community college
operating grant or postsecondary aid that the institution received for
fiscal year 2011 shall be considered new state funds for purposes of
K.S.A. 74-3202d, and amendments thereto.

New Sec. 4. In accordance with deadlines established and
published by the state board of regents, the chief administrative officer
of each eligible institution shall certify under oath to the state board any
information the state board deems necessary to carry out the provisions
of sections 1 through 10, and amendments thereto, in such form as
required by the state board.

New Sec. 5. One-half of the distribution of the appropriation for
postsecondary tiered technical education state aid shall be made on
August 1, and the remaining one-half shall be made on January 1 of
each fiscal year, or as soon thereafter as possible. The state board shall
certify, on or before July 20 and December 20 of each fiscal year, to the
director of accounts and reports the amount due on August 1 or on
January 1, as the case may be, to each institution eligible for
postsecondary tiered technical education state aid from such
appropriation, and the director of accounts and reports shall draw a
warrant upon the state treasurer in favor of the eligible institution for
such amount. Upon receipt of the warrant, the treasurer of each
community college and the institute of technology shall credit the
amount of the warrant to the postsecondary technical education fund of
the community college or institute, and the treasurer of each technical
college shall credit the amount of the warrant to the general operating
fund of the technical college.

New Sec. 6. No amount of postsecondary tiered technical
education state aid shall be based upon any credit hour for which the
eligible institution is receiving or eligible to receive state aid for non-
tiered course credit hours.

New Sec. 7. At any time, if the state board of regents finds that an
eligible institution previously approved or deemed approved has failed
to comply with the provisions of sections 1 through 10, and
amendments thereto, or with any provision of a policy adopted
pursuant to sections 1 through 10, and amendments thereto, or
otherwise fails to meet the standards contained in sections 1 through
10, and amendments thereto, the state board of regents shall so advise
the institution. If such institution fails to correct the deficiency within
12 months from the date such institution was so notified, the state
board of regents shall withdraw approval of the institution and the
institution shall not be entitled to postsecondary tiered technical
education state aid during any such period of withdrawal. Any action of
the state board of regents in denying or withdrawing approval of an
institution shall be subject to review by the legislature.

New Sec. 8. (a) There is hereby established a postsecondary
technical education fund in each community college and at Washburn
university for the Washburn institute of technology. All moneys
received by a community college or for the institute of technology for
establishing, conducting, maintaining and administering any technical
program shall be deposited in the postsecondary technical education
fund, unless required by federal or state law to be deposited in the
institution’s general fund. The expenses of a community college or the
institute of technology that are attributable to career technical education
shall be paid from the postsecondary technical education fund.

(b) There is hereby established a general operating fund in each
technical college budget. All moneys received by a technical college for
delivering tiered technical course credit hours and non-tiered course
credit hours shall be deposited in the general operating fund of the
college. The expenses of a technical college that are attributable to
career technical education shall be accounted for separately from the
expenses of the college that are not attributable to career technical
education.

(c) Community colleges, technical colleges and the Washburn
institute of technology shall maintain fund accounting procedures as
may be necessary to assure proper accounting for funds for career
technical education courses, whether received directly from the federal
government or any of its agencies, or received through the state or any
of its agencies.

New Sec. 9. Any lawful transfer of money from the general fund
of a community college or the Washburn institute of technology to the
postsecondary technical education fund of such institution shall be an
operating expense in the year the transfer is made. The board of any
community college or the Washburn institute of technology may
transfer moneys from its general fund to its postsecondary technical
education fund. Expenditures for career technical education shall not be
made from the general fund of a community college or the Washburn
institute of technology.

New Sec. 10. The state board may adopt such policies as are
necessary or desirable to implement and administer this act.

New Sec. 11. On or before November 1 and on or before March 1
of each year, the chief administrative officer of each technical college
shall certify under oath to the state board the total number of duly
enrolled credit hours of students of the technical college during the
current session who are state residents. Each November 1 and March 1,
certification for payment shall set forth separately the credit hour enrollment for preceding sessions and for the current fall session. The state board may require the technical college to furnish any additional information deemed necessary by it to carry out the provisions of sections 11, 12 and K.S.A. 72-4480, and amendments thereto, and shall prescribe such forms and policies as may be necessary for making such reports.

New Sec. 12. (a) If the amount of any appropriation for non-tiered course credit hour grant aid is insufficient to pay in full the amount each technical college is eligible to receive, the amount appropriated shall be prorated among all technical colleges in proportion to the amount each is eligible to receive.

(b) If any technical college is paid more than the amount it is eligible to receive, the state board shall notify the technical college of the amount of the overpayment and the technical college shall remit the same to the state board and the state board shall deposit the same in the state treasury to the credit of the general fund, and if any such technical college fails to remit, the state board shall deduct the excess amount so paid from future payments becoming due to such technical college.

(c) If any technical college is paid less than the amount it is eligible to receive, the state board shall pay the additional amount due at any time within the fiscal year in which the underpayment was made or within 60 days after the end of such fiscal year.

(d) As used in this section, the term "non-tiered course" shall have the same meaning ascribed thereto in section 2, and amendments thereto.

Sec. 13. K.S.A. 71-601 is hereby amended to read as follows: 71-601. (a) "Credit hour" means the basic unit of collegiate level instruction, as determined by the state board, in a subject or course offered at a level not higher than those subjects or courses normally offered to freshmen and sophomores in four-year institutions of postsecondary education which subject or course is approved by the state board.

(b) The term "credit hour" does not include instruction in a subject or course taken by a student enrolled for audit or in any subject or course not approved by the state board.

(c) The state board shall determine whether the subjects and courses offered in the community colleges are at the level of freshmen and sophomore subjects and courses offered in the state educational
institutions and shall not approve for funding any subject or course offered at a higher level.

(b) “Full-time equivalent enrollment” or "FTE enrollment" means the quotient obtained by dividing by 30 the total credit hour enrollment in a fiscal year of students of a community college who are residents of the state of Kansas, or are considered residents of the state of Kansas pursuant to the provisions of K.S.A. 71-407, and amendments thereto.

(c) “State grant” means the operating grant provided for under subsection (a) of K.S.A. 71-620, and amendments thereto, and if entitlement is determined, the quality performance grant provided for under subsection (b) of K.S.A. 71-620, and amendments thereto.

Sec. 14. K.S.A. 71-620 is hereby amended to read as follows: 71-620. (a) In each fiscal year, commencing with the 2001 fiscal year, each community college is entitled to an operating grant from the state general fund, in an amount to be determined by the state board, for non-tiered course credit hours, as defined in section 2, and amendments thereto, approved by the state board and delivered by the community college. The method of distribution of such funds shall be established by the state board after dialogue with the community college presidents. The state board shall:

(1) Determine the average amount of moneys from the state general fund expended per FTE lower division undergraduate student in the preceding fiscal year at the regional state educational institutions;

(2) (A) in the 2001 fiscal year, compute 50% of the amount determined under (1); (B) in the 2002 fiscal year, compute 55% of the amount determined under (1); (C) in the 2003 fiscal year, compute 60% of the amount determined under (1); in the 2004 fiscal year and in each fiscal year thereafter, compute 65% of the amount determined under (1);

(3) determine the total number of FTE students of all the community colleges;

(4) multiply the amount computed under (2) by the total number of FTE students determined under (3). Subject to the provisions of subsection (e) of K.S.A. 74-3202d, and amendments thereto, the product is the total amount of operating grants the community colleges are entitled to receive for the fiscal year.

(5) Each community college which is not an officially designated area vocational school shall receive an amount equivalent to the difference between credit hour state aid received in the 1999 fiscal year...
for credit hours in any subject or course approved as a vocational-education subject or course and 1 1/6 times the amount of credit hour state aid received in the 1999 fiscal year for credit hours in any subject or course approved as a vocational education subject or course. The amount determined under this provision shall be distributed in equal installments in the 2001 through 2004 fiscal years as a part of the community college's operating grant, but shall not be subject to the provisions of K.S.A. 71-204, and amendments thereto.

(6) In each fiscal year, the state board, for the purpose of allocating the amount determined under (4) to the community colleges, shall deduct the total of the amounts determined under (5) from the amount determined under (4).

(7) In the 2001 fiscal year, the remaining balance determined under (6) shall be allocated to each community college according to the ratio the total amount of state aid received by the community college in the 2000 fiscal year bears to the total amount of state aid received by all community colleges in the 2000 fiscal year, subject to adjustments for changes in each community college's FTE enrollment from the 2000 fiscal year to the 2001 fiscal year.

(8) In the 2002 fiscal year and in each fiscal year thereafter, the remaining balance determined under (6) shall be allocated to each community college according to the ratio the amount of the operating grant received by the community college in the prior fiscal year bears to the total amount of operating grants received by all community colleges in the prior fiscal year, subject to adjustments for changes in each community college's FTE enrollment from the prior fiscal year to the current fiscal year.

(b) In each fiscal year, commencing with the 2003 fiscal year, each community college is eligible to receive a quality performance grant from the state general fund. If the state board determines that the community college has demonstrated effectiveness in complying with its role and mission statement and has met or exceeded the core indicators of quality performance for community colleges identified and approved by the state board, the community college shall receive a quality performance grant in an amount which shall be determined by the state board by computing 2% of the amount of the operating grant the community college received in the preceding fiscal year. The computed amount is the amount of the quality performance grant the community college shall receive for the fiscal year. No amount of grant
under this section shall be based upon any credit hour for which the community college is receiving or is eligible to receive postsecondary tiered technical education state aid in accordance with section 3, and amendments thereto. Only the credit hours of students who are residents of the state of Kansas enrolled in courses for postsecondary credit shall be considered for funding.

(c) For the purposes of this section, the FTE enrollment of the community college shall be based on: (1) Enrollment of students who are residents of the state of Kansas, or are considered residents of the state of Kansas pursuant to the provisions of K.S.A. 71-407, and amendments thereto; and (2) the greater of FTE enrollment of the community college in the current fiscal year or FTE enrollment in the preceding fiscal year. For purposes of this section, residency for all community college students shall be determined in accordance with K.S.A. 71-406 and 71-407, and amendments thereto.

(d) As used in this section, the term regional state educational institutions means Emporia state university, Fort Hays state university, and Pittsburg state university and the term lower division undergraduate student means a freshman or sophomore.

Sec. 15. K.S.A. 72-4480 is hereby amended to read as follows: 72-4480. (a) In each fiscal year, commencing with the 2012 fiscal year, each technical college, as defined in section 2, and amendments thereto, is eligible for a grant from the state general fund, in an amount to be determined by the state board of regents, for non-tiered course credit hours, as defined in section 2, and amendments thereto, approved by the state board and delivered by the technical college. The method of distribution of such funds shall be established by the state board after dialogue with the technical college presidents.

(b) No amount of grant under this section shall be based upon any credit hour for which the technical college is receiving or is eligible to receive postsecondary tiered technical education state aid in accordance with section 3, and amendments thereto. Only the credit hours of students who are residents of the state of Kansas enrolled in courses for postsecondary credit shall be considered for funding.

(c) The state board of regents shall identify and approve core indicators of quality performance for vocational education schools and technical colleges and shall establish and implement a data management system that includes a process and format for collecting, aggregating and reporting common and institution-specific information.
documenting effectiveness of the schools and colleges in meeting the
role and mission thereof.

(b) In each fiscal year, commencing with the 2002 fiscal year, each
vocational education school and technical college is eligible to receive
a quality performance grant from the state general fund. If the state
board determines that the school or college has demonstrated
effectiveness in complying with its role and mission statement and has
met or exceeded the core indicators of quality performance for
vocational education schools and technical colleges identified and
approved by the state board, the school or college shall receive a
quality performance grant in an amount which shall be determined by
the state board by computing 2% of the amount of postsecondary aid
the school or college received in the preceding fiscal year. The
computed amount is the amount of the quality performance grant the
school or college shall receive for the fiscal year.

(c) One-half of the distribution of the appropriation for quality
performance grants under this section to vocational education schools
and technical colleges entitled to eligible for such grants shall be made
at a time to be determined by the state board: on August 1, and the
remaining one-half shall be made on January 1 of each fiscal year, or
as soon thereafter as possible. The state board shall certify, on or
before July 20 and December 20 of each fiscal year, to the director of
accounts and reports the amount due on August 1 or January 1, as the
case may be, to each vocational education school and technical college
entitled to eligible for a grant, and the director of accounts and reports
shall draw a warrant upon the state treasurer in favor of the school or
technical college for such amount. Upon receipt of the warrant, the
treasurer of the school or technical college shall credit the amount of
the warrant to the general fund of the technical college.

Sec. 16. K.S.A. 72-6503 is hereby amended to read as follows: 72-
6503. (a) Except to the extent provided in subsection (4), in each fiscal
year, the university is entitled to an operating grant from the state
general fund in an amount to be determined by the state board. The
state board shall:

(1) Determine the average amount of moneys from the state
general fund expended per FTE lower division undergraduate student in
the preceding fiscal year at the regional state educational institutions;

(2) (A) in the 2002 fiscal year, compute 55% of the amount
determined under (1); (B) in the 2003 fiscal year, compute 60% of the
amount determined under (1); (C) in the 2004 fiscal year and in each fiscal year thereafter, compute 65% of the amount determined under (1);

3. multiply the amount computed under (2) by the number of FTE students of the university. Subject to the provisions of subsection (e) of K.S.A. 74-3202d, and amendments thereto, the product is the amount of the operating grant the university is entitled to receive for the fiscal year.

4. Notwithstanding the foregoing provisions, no amount of the university's operating grant shall be based upon any credit hour for which the university or its affiliated institute of technology is receiving or is eligible to receive postsecondary tiered technical education state aid in accordance with section 3, and amendments thereto.

(b) In each fiscal year, commencing with the 2003 fiscal year, the university is eligible to receive a quality performance grant from the state general fund. If the state board determines that the university has demonstrated effectiveness in complying with its mission and goals statement and has met or exceeded the core indicators of quality performance identified and approved for the university by the state board, the university shall receive a quality performance grant in an amount which shall be determined by the state board by computing 2% of the amount of the operating grant the university received in the preceding fiscal year. The computed amount is the amount of the quality performance grant the university shall receive for the fiscal year.

(e) (1) For the purposes of this section, the FTE enrollment of the university shall be based on: (A) Enrollment of students who are residents of the state of Kansas; and (B) the greater of FTE enrollment in the second or third fiscal year preceding the fiscal year for which the appropriation for the operating grant is made.

(2) As used in this section, the term "regional state educational institutions" means Emporia state university, Fort Hays state university and Pittsburg state university, and the term "lower division undergraduate student" means a freshman or sophomore.

(c) Moneys received as state grants from the state general fund shall not be expended for the purpose of expansion of graduate programs or for the purpose of expansion of off-campus programs without the prior approval of the state board.

Sec. 17. K.S.A. 71-601, 71-613, 71-613a, 71-620, 71-1706, 72-
Sec. 18. This act shall take effect and be in force from and after its publication in the Kansas register statute book.