

SESSION OF 2002

**CONFERENCE COMMITTEE REPORT
SENATE BILL NO. 647**

As Agreed to May 10, 2002

Brief *

SB 647 amends the Higher Education Coordination Act and requires certain public employees to file statements of substantial interest. The main provisions are described below.

State Board of Regents—Representative of the Public Postsecondary Education System. The bill specifies that the State Board of Regents will serve as the representative of the public postsecondary education system before the Governor and the Legislature. (Under current law, the State Board of Regents is assigned the role of advocating for adequate resources and sufficient authority to enable postsecondary institutions to achieve their missions.)

Planning for Postsecondary Education. An amendment clarifies that the State Board of Regents will provide statewide planning for higher education. (This responsibility is implied in the current law, but is not specifically stated.) In the context of the State Board's responsibility to determine postsecondary institutions roles and review institutional missions and goals, the bill directs that this responsibility is executed by taking into account both institutional needs and the needs of the state's system of higher education as a whole.

Plan for Coordination of Postsecondary Education Program Offerings. The State Board of Regents is directed to develop and implement, in conjunction with the postsecondary educational institutions, a comprehensive plan for coordinating all program offerings by postsecondary educational institutions.

Unified Budget for Postsecondary Education Institutions. The State Board of Regents is directed to develop a unified budget for

*Conference committee summary reports are prepared by the Legislative Research Department and do not express legislative intent. No summary is prepared when the report is an agreement to disagree.

state funding of postsecondary educational institutions, present that budget to the Governor and the Legislature each year, and receive and allocate the state funds appropriated for funding of postsecondary educational institutions in accord with legislative directives, except for allocations based on institutional performance allocations. (This replaces the current law which directs the State Board to approve for state funding purposes educational programs, courses of instruction, and out-district program and course locations and to review budget and state funding requests of postsecondary educational institutions in order to present a unified budget for higher education.)

Postsecondary Institution Improvement Plans—Performance Agreements and State Funding. Beginning July 1, 2004, the State Board is authorized to review and approve institutional improvement plans, and, on the basis of each plan, develop and implement a performance agreement with each postsecondary educational institution. These performance agreements must incorporate the goals, priorities, policies, and mission objectives identified in the institutional improvement plans, and the performance measures, which will be used to demonstrate compliance and progress.

Beginning July 1, 2005, each postsecondary educational institution's receipt of new state funds is contingent on achieving compliance with its performance agreement. "New state funds" means that amount of state funds by which the amount received by a postsecondary educational institution for a fiscal year exceeds the amount received by that postsecondary educational institution for the preceding fiscal year. The State Board will determine the amount of new state funds to be received by each postsecondary educational institution, taking into account the institution's level of compliance with its performance agreement and the funds available for distribution. New state funds received by a postsecondary educational institution pursuant to a performance agreement are used for the purposes of determining new state funds for the postsecondary educational institution under a performance agreement for the ensuing fiscal year. If a postsecondary educational institution does not receive new state funds in a particular fiscal year due to a failure to meet the goals in the performance agreement, the lost funds would become part of the base budget in determining state funding allocations in future fiscal years.

Failure of a postsecondary educational institution to enter a performance agreement with the State Board prevents the institution from receiving any new state funds. Any funds designated by the Legislature for a specific postsecondary educational institution or purpose are exempt from these provisions.

State Board of Regents—Commissions

On June 30, 2003, the statutory provisions which create from among the State Board of Regents' membership the Commission for Community Colleges and Vocational/Technical Education, Commission for Public Universities, and Commission on Higher Education Coordination expire. The State Board of Regents would have the authority to establish any committees, commissions, advisory councils, or other groups as it shall deem necessary.

Consulting Services

On and after January 1, 2003, a statement of substantial interest must be filed with the Kansas Governmental Ethics Commission by any faculty member or unclassified employee at a state university or other public postsecondary education institution if such person serves as a consultant and, on behalf of or for the benefit of the entity for which consulting services have been performed:

- Promotes or opposes action or non-action by any unit of government, or
- Promotes or opposes the expenditure of public funds by any unit of government.

Background

The bill was introduced at the request of the State Board of Regents. Conferees testifying in support of the bill included representatives of the State Board of Regents, the state universities, and the Kansas Association of Community College Trustees. Conferees providing testimony in opposition to the bill, as introduced, included former Senator Tim Emert, Senator David Jackson, 11 members of the Shawnee County Delegation, representatives of Washburn University, and the Kansas Independent College Association.

The Senate Education Committee adopted amendments to SB 647 submitted as compromise language from the State Board of Regents and Washburn University. The Senate Committee also deletes from the bill a provision which would exempt State Board of Regents actions relating to execution of the Board's planning coordina-

tion and finalizing functions with respect to any postsecondary educational institution from the provisions of the Rules and Regulations Filing Act.

The House Committee of the Whole amended the bill to include the provisions of HB 3013 which requires the disclosure of consulting contracts.

The Conference Committee replaced the House Committee of the Whole amendment with the provisions requiring the filing of a statement of substantial interest for certain employees of public postsecondary education institution.

The fiscal note submitted by the Division of the Budget on the bill as introduced indicates that the bill could be implemented within existing state funding.