

MINUTES OF THE HOUSE HIGHER EDUCATION COMMITTEE

The meeting was called to order by Chairman Terrie Huntington at 1:30 p.m. on February 2, 2009, in Room 786 of the Docking State Office Building.

All members were present except:

Representative Valdenia Winn- excused

Committee staff present:

Renae Jefferies, Office of the Revisor of Statutes
Mary Galligan, Kansas Legislative Research Department
Kay Scarlett, Committee Assistant

Conferees appearing before the committee:

Laurel Murdie, Principal Auditor, Legislative Division of Post Audit

Others attending:

See attached list.

Laurel Murdie, Principal Auditor, Legislative Division of Post Audit, reviewed the findings, conclusions, and recommendations from the Performance Audit Report, *Community Colleges: Examining Whether There Are Ways to Share Resources to Reduce Costs*, February 2008. The report is available from the Legislative Division of Post Audit or on its Website: www.kslegislature.org/postaudit The performance audit answers the following questions:

- Have community colleges used a portion of increased state aid to reduce mill levies, and if not, why not?
- What options exist for community colleges that are in close proximity to each other, such as Independence and Coffeyville, to share resources to reduce costs and mill levies.

Among other things, the Higher Education Coordination Act of 1999 was intended to increase State funding for community colleges, so that local property taxes could be reduced. So far the Act has had limited success. The report recommends that community college boards of trustees follow existing law with regard to reducing local property tax revenues and that the appropriate legislative committees consider whether the law needs to be modified to ensure that local property tax relief is realized. To help ensure that the provisions of the Higher Education Coordination Act will produce local property tax relief, the appropriate committees of the Legislature should: 1) consider whether community college expenditures or mill levy rates should be capped, and 2) consider whether restriction should be placed on the amount of cash balances community colleges are allowed to accumulate.

The report makes several recommendations for ways Coffeyville and Independence and other community colleges could share resources to reduce costs, including: the sharing of academic resources; sharing resources related to support functions; and options for saving money by jointly purchasing goods or services.

The report also contains appendices showing the amount of State operating grants that were expected based on the Act and the amount of grants actually received by the community colleges, as well as revenue, expenditures, and property tax revenue information by community college.

The meeting was adjourned at 2:50 p.m. The next meeting of the House Higher Education Committee is scheduled for February 3, 2009.