



KANSAS BOARD OF REGENTS

Senate Ways & Means Subcommittee on Higher Education March 5, 2018

Blake Flanders, Ph.D.
President & CEO

Chairman Berger, Senator McGinn and Senator Kelly, this testimony is submitted in support of the Governor's budget recommendations for the Kansas Board of Regents. One of the most important duties the Board has is to "...develop a unified budget for state funding of postsecondary educational institutions." This statutory responsibility requires the Board to deliberate on requests for state funding from each of the state universities, the community colleges, the technical colleges, Washburn University, as well as the Board Office where many of the state postsecondary education grants are administered.

In their deliberations, the Board elected to advocate for one budget priority—**restoration of \$23.9 million that was reduced under the FY 2017 budget allotments**. These dollars will benefit the entirety of our system—\$17.45 million for the universities and \$6.45 million for the two-year colleges, Washburn University, student financial aid and adult education centers. Although this was not included in the Governor's budget recommendations, our Board remains committed to seeking restoration of these funds.

	<u>Original Allotment</u>	<u>Requested Restoration</u>
University of Kansas	\$7,009,260	\$4,088,702
KU Medical Center	3,720,190	3,365,797
Kansas State University	5,219,623	3,073,563
KSU-Veterinary Medical Center	509,103	452,898
KSU-ESARP	1,348,010	1,348,010
Wichita State University	2,846,788	2,236,925
Emporia State University	855,204	855,204
Pittsburg State University	1,020,815	1,020,815
Fort Hays State University	1,059,685	1,016,467
Kansas Board of Regents	<u>7,075,471</u>	<u>6,456,471</u>
Postsecondary Education System Total	\$30,664,149	\$23,914,852

Our public colleges and universities are a critical asset to the State of Kansas. We all recognize that Kansas has a growing demand for skills and knowledge that our current workforce is unable to meet. Cutting state support to our institutions of higher education has a detrimental impact on Kansas students and their families, and ultimately impedes their career options and our employers' prospects for the talent needed to keep their business competitive.

★ LEADING HIGHER EDUCATION ★

The Board appreciates the support shown by the Governor in the revised budget you are now considering. The programs recommended to receive additional funds are briefly mentioned below.

Kansas Board of Regents Budget

Excel in CTE Initiative (\$7.3 million FY 2018 and \$8.3 million FY 2019)

The Excel in CTE Initiative has resulted in remarkable gains in the number of high school students enrolling in college-level CTE courses and earning industry-recognized credentials. Last year, 10,666 students participated in the program, taking 85,302 college credit hours, and earning 1,458 credentials. Based on actual Fall 2017 enrollment data from the colleges, we estimate that this initiative will require \$7.3 million more than what was appropriated by the Legislature for FY 2018. Not funding this program forces the colleges to subsidize the cost from their other revenues to provide these programs, as they are prohibited from charging the students for tuition.

State Tuition Assistance – National Guard Members (\$2.1 million FY 2019)

Major General Tafanelli, the Adjutant General for Kansas, requested that the Board of Regents support full funding of the state tuition assistance program for Kansans serving in the National Guard. The Board is supportive of this request and included it in our budget request to the Governor. In FY 2017 the program had \$1.2 million, which resulted in the payment of only 54 percent of tuition and fees for members of the Guard. Major General Tafanelli indicates this program is the top benefit for recruiting future members of the Guard and retaining top talent in their formations. The program incentivizes service to Kansans and the nation while also encouraging Guard members to attend in-state institutions. The surrounding states have taken action to fund state tuition assistance at 100%. For Kansas to get to the same benefit, \$3.0 million total would be needed from the State General Fund. The Governor's budget would equalize our benefit to surrounding states, and we support this important benefit to our National Guard members.

Emporia State University

Department of Nursing - \$535,000

Emporia State University's Department of Nursing offers a four-year baccalaureate program awarding the Bachelor of Science in Nursing degree, with a generic track, LPN-BSN track, and RN-to-BSN tracks available. The nursing program produces an average of 35 graduates annually, and is staffed by nine full-time and six part-time faculty members. The program is approved by the Kansas State Board of Nursing (KSBN) and is fully accredited by the Accreditation Commission for Education in Nursing (ACEN).

ESU had previously operated its nursing program in Kansas with no on-going State General Fund operating support. Rather, ESU had previously received financial support from Newman Regional Health, an accredited 25-bed Critical Access Hospital facility in Emporia, made possible from Medicare pass-through funding. Beginning in FY 2015 Newman

Regional Health was ineligible for this funding due to changes in the criteria for Medicare pass-through.

Charitable trusts provided stopgap funding from FY 2015 through FY 2017, which allowed the University some time to secure a permanent alternative funding source. The trusts have made it clear they will not provide ongoing support; their private support was intended to be a short-term solution. Continued long-term funding of this program is not the intent or purpose of these organizations.

The 2017 Legislature appropriated \$500,000 to ESU for the Nursing program, but for only FY 2018. The Governor has recommended \$535,000 for FY 2019, and we request that the Legislature concur with this action.

University of Kansas Medical Center

School of Dentistry - \$3.0 million

To address the state's shortage of oral health care workers several options have been examined in the past: feasibility of a new dental school, placement of a branch campus within Kansas from an existing dental school outside of the state, securing additional seats in neighboring dental schools, and utilization of a scholarship program to attract and retain dentists in Kansas. The Board recommended in Fall 2016 that in the long term, the Board of Regents should propose development of a new School of Dentistry within the KU Medical Center campus in Kansas City. Although no funding for the School came out of the 2017 Legislature, the Board again recommended in Fall 2017 that the state should invest in a School of Dentistry. The Governor concurred that this state investment is essential, and committed \$3.0 million in his recommended budget for FY 2019. We request that you adopt his budget recommendation.

Locating a Dental School at the KU Medical Center takes advantage of the resources already in place for basic science faculty and research infrastructure already in place, as well as the necessary student resources. The Center has experience in recruiting and support rural health practitioners, experience running a clinical enterprise, and has a building on its campus that could be repurposed. To encourage rural placement of graduates (another strength of the institution), the plan would include rotations for senior students at federally qualified health clinics and satellite clinics, as well as an application process to prefer rural students.

Wichita State University

National Institute for Aviation Research - \$5.0 million

National Center for Aviation Training - \$1.7 million

We respectfully request that the Governor's recommended budget for the National Institute of Aviation Research (NIAR) and the National Center for Aviation Training (NCAT) be adopted. Investments in workforce and research development will be critical to growing a more prosperous Kansas.

Aviation manufacturing remains a centerpiece of our economy, and you do not have to look far in Wichita to see why. There are forty-seven Boeing 737's and twelve 787's being produced in Wichita every month. The capacity of this production is only going to become larger as Spirit Aerosystems recently announced 1,000 new jobs to increase production in Kansas. This is a much-needed boost for the economy, but there are also priorities that have to be made to grow the economy including workforce development and increasing research capacity.

More production and jobs means a need for workforce development and credentialing. Every one of these workers is going to need some kind of certification or vocational training that NCAT is poised to help meet. This need is especially important knowing that a large percentage of the aviation sector's workforce will soon be at retirement age.

A competitive advantage that Wichita has over many of its competitor markets is the long-standing partnership between WSU and the industry community that combines industry needs with advanced materials research capabilities. This partnership allows WSU to listen to industry leaders and act on their priorities in the aviation field to create labs and perform research that cannot be duplicated anywhere else.

Conclusion

Your Board of Regents stands ready to continue our work with the Legislature to craft a shared vision for higher education in Kansas that includes state financial support of higher education as part of our state's strategy to grow the Kansas economy. The Board developed what we consider a modest budget proposal which is focused on stable state funding of our postsecondary institutions.

Thank you for the opportunity to discuss our budget request with you. I would be happy to stand for questions.

State Universities Student vs State General Fund Investment (Dollars in Millions)

