

Approved: 1.29.10
Date

MINUTES OF THE HOUSE EDUCATION COMMITTEE

The meeting was called to order by Chairman Clay Aurand at 9:00 a.m. on January 20, 2010, in Room 711 of the Docking State Office Building.

All members were present, except:

Representative Ann Mah
Representative Melvin Neufeld
Representative Ed Trimmer

Committee staff present:

Theresa Kiernan, Office of the Revisor of Statutes
Reagan Cussimano, Kansas Legislative Research Department
Sharon Wenger, Kansas Legislative Research Department
Dale Dennis, Deputy Commissioner, Kansas State Department of Education
Janet Henning, Committee Assistant

Conferees appearing before the Committee:

Dr. Edward Hammond, President, Fort Hays State University
Leo Budy, KAMS student, Basehor, Ks
Tyler Clark, KAMS student, St. John, Ks
Alexis Greb-Bonham, KAMS student, Wellington, Ks
Kathryn Schmidt, KAMS student, Atchison, Ks
Barry Swanson, University of Kansas
Tim Madden, Kansas Department of Corrections
Mike Reece, American Council of Engineering Co (ACEC) Kansas

Dr. Edward Hammond, President, Fort Hays State University, gave an overview of the Kansas Academy of Mathematics and Science (KAMS) program currently in progress at Fort Hays State University. Dr. Hammond told Committee members the original plan for KAMS, which was established and funded by the Kansas state legislature, was to have 40 students from across Kansas and ten students from outside the state. However, because of budget issues, the program currently has 24 students participating. Dr. Hammond introduced four students who each gave a brief synopsis of KAMS.

Committee members were told that KAMS is an early-entry-to-college program that allows academically talented and motivated high school juniors and seniors who are interested in math and science to live at Fort Hays State University and attend a residential academy. They were advised that students receive 68 hours of college credit and focus on academics, research, leadership development and civic engagement. (Attachment 1)

A question and answer session followed the presentation.

HB 2433 - State educational institutions; exemption from state purchasing law.

Theresa Kiernan, Senior Assistant Revisor, Office of the Revisor of Statutes, gave an overview of **HB 2433** to Committee members. Ms. Kiernan advised that **SB 52** authorized the Kansas Board of Regents to select one research and one regional university to participate in a three year pilot program allowing each university to manage certain aspects of its own purchasing operations. This pilot program began in 2007 and will end on June 30, 2010.

Dr. Edward Hammond, President, Fort Hays State University, spoke to Committee members in support of **HB 2433**. Dr. Hammond told Committee members this pilot program allowed significant changes with the major improvement being in efficiency. He stated the university has been able to reduce the time to complete a purchase by up to eleven days in cases related to the informal and formal bid processes. (Attachment 2)

Barry Swanson, Director of Purchasing and Strategic Sourcing, University of Kansas, spoke to Committee members in support of **HB 2433**. Mr. Swanson told Committee members the University of

1-20

CONTINUATION SHEET

Minutes of the House Education Committee at 9:00 a.m. on January 20, 2010, in Room 711 of the Docking State Office Building.

Kansas has reported hard dollar savings of approximately \$1.9 million and was able to process competitive bid transactions more quickly by saving approximately thirteen days per transaction. This equates to a roughly 40 percent reduction in processing time. He stated the primary reason these savings were achieved is the fact that KU developed policies and procedures for Kansas Board of Regents approval that were designed to maximize competition. He further stated that of equal importance is the fact this competitive environment ensures that all contract vendors must constantly compete for every University dollar. (Attachment 3)

Tim Madden, Senior Counsel, Kansas Department of Corrections, spoke to Committee members and stated their department supports cost saving measures that the state can implement. He stated the Department believes that the calculation of savings derived from the purchase of non-Kansas Correctional Industries (KCI) goods should include the fact that KCI revenues are used for other operations of the Department as an offset to reductions in state general fund revenues. He further stated that KCI provides inmates important job skills for their re-entry into the community upon release from prison. If the cost of KCI products is not competitive to the private sector and an exemption from KCI purchases is adopted the Department would urge an amendment of the Prison Made Goods Act to allow KCI to expand its market to include sales to Kansas residents and businesses. This would permit sales of KCI highway paint and signage, furniture, and other items to businesses. A balloon amendment for this proposal is attached. (Attachment 4)

Written testimony was received from Reginald Robinson, President and CEO, Kansas Board of Regents in support of **HB 2433**. (Attachment 5)

Written testimony was received from Andrew Schlapp, Executive Director of Government Relations, Wichita State University, in support of **HB 2433**. (Attachment 6)

Written testimony was received from Victoria White, Pittsburg State University, in support of **HB 2433**. (Attachment 7)

Written testimony was received from Michael R. Lane, President, Emporia State University, in support of **HB 2433**. (Attachment 8)

Written testimony was received from Vince Shubert, Vice-President Administration and Finance, Kansas State University, in support of **HB 2433**. (Attachment 9)

Mike Reece, speaking on behalf of the American Council of Engineering Companies of Kansas (ACEC Kansas), spoke to Committee members as a neutral conferee of **HB 2433**. (Attachment 10)

Written testimony was received from Trudy Aron, Executive Director, American Institute of Architects Kansas (AIA Kansas) as neutral on **HB 2433**. (Attachment 11)

A question and answer session followed the presentation.

Chairman Aurand moved to introduce a bill which would allow school districts to submit the question of eliminating the \$20,000 tax exemption on residential property to the voters of a school district. The motion was seconded by Representative Brookens. The motion carried.

The meeting was adjourned at 10:25 a.m. The next meeting is scheduled for January 27, 2010.

Characteristics of a Successful KAMS Student

- o Enjoys mathematics and science
- o Un(den)challenged in school
- o Demonstrates maturity and dedication
- o Willing to live away from home
- o Willing to take risks
- o Willing to work hard
- o Willing to be part of a group
- o Exhibits high personal standards



www.kams.edu/kams

Kansas Academy of Mathematics & Science

(785) 623-4699

Preparing for KAMS

The more students can prepare ahead of time, the better.

- Take ACT/SAT in fall of sophomore year (or earlier)
- Complete Pre-calculus, if possible
- Take all PE & foreign language credits
- Take all school-specific credits



www.kams.edu/kams

Kansas Academy of Mathematics & Science

(785) 623-4699

9th & 10th Grade Suggested Curriculum

9 th Grade		10 th Grade	
Courses:	Units:	Courses:	Units:
English I	1	English II	1
Algebra II (Geometry in 8 th Grade)	1	Functions/Stats/Trig	1
Science (Physical)	1	Science (Biology)	1
PE/Health	1	Science (Chemistry)	1
Technology	1	World History II	5
World History	5	Foreign Language	1
Foreign Language	1	Practical Arts	5
Practical Arts	5	Electives	1
7 Units Total		7 Units Total	

www.kams.edu/kams

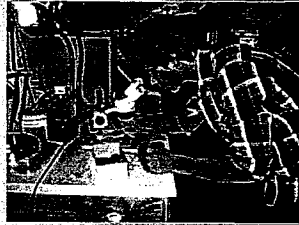
Kansas Academy of Mathematics & Science

(785) 623-4699

Evaluation of Applicants

Holistic evaluation:

- Overall GPA
- ACT/SAT scores
- GPA in relevant classes
- Class rank
- Student Essays
- Teacher evaluations
- Leadership qualities
- Maturity & motivation
- Phone interview



www.ku.edu/kams

Kansas Academy of Mathematics & Science

(785) 623-4690

Academics & Research

- Gain hands-on research experience with PhD-level faculty
- Develop research skills during your junior year
- Conduct research over the summer or during your senior year
- Make a professional presentation before graduation



www.ku.edu/kams

Kansas Academy of Mathematics & Science

(785) 623-4690

Junior Year Courses

Fall Semester:

- Pre-Calculus
- University Chemistry I & Lab
- Global Climate Change: Science and Impacts
- English Composition I
- US History before 1877
- Colloquia

17 Credit Hours

Spring Semester:

- Analytic Geometry & Calculus I
- University Chemistry II & Lab
- English Composition III
- US History after 1877
- Colloquia

16 Credit Hours

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Kansas Academy of Mathematics & Science

(785) 623-4690

Senior Year Courses

Fall Semester

- Calculus II
- Principles of Biology
- Physics for Scientists & Engineers I
- Fundamentals of Oral Communication
- Departmental Research & Writing
- Colloquia

18 Credit Hours

Spring Semester

- American Government
- Computer Science Elective
- Physics for Scientists & Engineers II
- Issues in Leadership: Seven Revolutions
- Departmental Research & Writing
- Colloquia

17 Credit Hours

www.fhsu.edu/kams

Kansas Academy of Mathematics & Science

(620) 623-4699

Student Engagement

- Service-learning components in selected classes
- Opportunities/Expectation to volunteer
 - KAMS @ FHSU
 - Community
- Leadership development



www.fhsu.edu/kams

Kansas Academy of Mathematics & Science

(620) 623-4699

Costs

Tuition and fees

- Transfer of base state aid from sending school to KAMS, so free for Kansas public school students

Tablet Computer

- Necessary and provided by private funding in 2009-2010

Textbooks

- Provided by state appropriation

Responsibility of Students/Families:

Housing (includes the meal plan)

- \$6560 in 2009-2010
- Working to develop private funding for scholarships

Transportation to/from campus

- Incidentals (laundry, snacks, spending money)

www.fhsu.edu/kams

Kansas Academy of Mathematics & Science

(620) 623-4699

Timeline

- February 1, 2010: Application deadline for US students
- March 2010: Application deadline for International students
- February/March 2010
 - US applications reviewed
 - Phone interviews
- Late March/Early April, 2010
 - US students notified
- Late May, 2010
 - International students notified
- November 3, 2010: 3rd Annual Preview Day



www.fhsu.edu/kams

Kansas Academy of Mathematics & Science

(785) 628-4690

Q & A



www.fhsu.edu/kams

Kansas Academy of Mathematics & Science

(785) 628-4690

Contact KAMS

Website:

www.fhsu.edu/kams

Email:

kams@fhsu.edu

Blog:

fhsukams.wordpress.com

Discussion Board:

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Phone:

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600 Park Street

Hays, KS 67601

KAMS is on

facebook

www.fhsu.edu/kams

Kansas Academy of Mathematics & Science

(785) 628-4690

Current KAMS "Pioneer" Class

Student	Gender	City	LD	School
Beaugh, Kaleb	M	Salina	1	Ell-Saline Middle/High School
Berckefeldt, Amanda	F	Paola	2	Paola High School
Budy, Leo	M	Basehor	2	Basehor-Linwood High School
Clare, Emile	F	Wichita	4	Derby High School
Clark, Tyler	M	St. John	1	St John High School
Cook, Isaac	M	Olathe	3	Olathe South Sr High
Darden, Alexandria	F	Lansing	2	Lansing High School
Davis, Ben	M	Wichita	4	Northeast Magnet High School
Davis, Bryant	M	Wilson	1	Wilson Sr/Jr High
*Gooding, Seth	M	Mt Hope	4	Haven High School
Greb-Bonham, Alexis	F	Wellington	4	Wellington High School
Hersh, Whitney	F	Topeka	2	Seaman High School
**Kirk, Kassaundra	F	Hutchinson	1	Burrton High School
Martin, Jaeton	M	Silver Lake	2	Silver Lake JR/Sr High
Morris, William	M	Kingman	4	Kingman High School
Robertson, William	M	Liberal	1	Liberal High School
Savage, Eddie	M	Holcomb	1	Holcomb High
Schmidt, Kathryn	F	Atchison	2	Maur Hill - Mount Academy
Sellers, Christian	F	Fort Scott	2	Fort Scott Sr High
***Snyder, Jennifer	F	Kansas City	3	Lansing High School
Spickler, Bailey	F	Overland Park	3	Shawnee Mission East High School
Stacey, Erica	F	Great Bend	1	Great Bend High School
Tanner, Mersadez	F	Hays	1	Hays High School
Van Swol, Nicholas	M	Everest	2	Hiawatha Sr High
24 Students		Legislative District		
12 Female		District 1	8	33%
12 Male		District 2	8	33%
		District 3	3	13%
		District 4	5	21%

*Seth lives in congressional legislative district #4 and attends school in CLD #1

**Kassaundra lives in congressional legislative district #1 and attends school in CLD #4

***Jennifer lives in congressional legislative district #3 and attends school in CLD #2

2010 KAMS "PIONEER" CLASS

by City and Congressional Legislative Districts

Breakdown by City

City	CLD
Atchison	2
Basehor	2
Brookville	1
Derby	4
Everest	2
Fort Scott	2
Great Bend	1
Hays	1
Holcomb	1
Hutchinson	1
Kansas City	3
Kingman	4
Lansing	2
Liberal	1
Mt. Hope	4
Olathe	3
Paola	2
Shawnee Mission	3
Silver Lake	2
St. John	1
Topeka	2
Wellington	4
Wichita	4
Wilson	1

Breakdown by legislative district

District 1	8	33%
District 2	8	33%
District 3	3	13%
District 4	5	21%

Breakdown by gender

12 female
12 male



*We have a student who lives in CLD4 and attends school in CLD1.
Another student lives in CLD1 and attends school in CLD4.
Another student lives in CLD3 and attends school in CLD2.





FORT HAYS STATE UNIVERSITY

Forward thinking. World ready.

**Report to House Education Committee
Purchasing Pilot Program
HB 2433
Fort Hays State University
January 20, 2010**

ALUMNI ASSOCIATION

SB 52 (KSA 76-769) authorized the Kansas Board of Regents to select one research and one regional university to participate in a three year pilot program allowing each university to manage certain aspects of its own purchasing operations. It granted the universities the ability to use available state contracts or develop its own. The pilot officially began June 1, 2007, and will end on June 30, 2010. Following are points of information regarding progress concerning the pilot program related to purchasing at Fort Hays State University.

- The Kansas Board of Regents adopted a policy allowing FHSU and KU to participate in the purchasing pilot and required each university to develop its own purchasing policies and procedures. Our policies and procedures were reviewed and approved by the KBOR.
- FHSU officially began operating under its new purchasing policy and procedures on July 1, 2007.
- Significant changes made as a result of the pilot program include:
 - Higher informal bid limits (previously limited to below \$5,000 now set at up to \$24,999).
 - Increased purchasing limits at the departmental level previously set at up to \$1,000 are now at up to \$4,999.
 - Development of departmental "super purchasers" who have responsibility for purchasing supplies and goods needed in departments considered high volume areas.
 - Elimination of the warehouse (Central Store) operation on campus. Staff previously responsible for operation of the warehouse has assumed new duties including researching for highest quality lowest priced items for departments with particular emphasis on general office supplies, which includes comparison to current state contracts.
- The major improvement has been in efficiency and can be seen in the time involved to complete a purchase now versus before SB 52. The university has been able to reduce the time to complete a purchase by up to eleven days in cases related to the informal and formal bid processes. Another efficiency involves delivery time. In certain cases, being able to use vendors other than state awarded without seeking approval of the division of purchasing has improved delivery times of products allowing our work crews to be more efficient.

- Local vendor success in the bidding process has been very limited. It seems local vendors have difficulty meeting or being below prices available through contracts established by state purchasing.
- FHSU and KU continue to work together on contracts that can be beneficial to both universities.
- Reductions in costs have been gained for a number of items including:
 - Computers, 16%
 - Software licenses and renewals, 4%
 - Computer tape memory, 39%
 - Multi Purpose paper, 11%
 - General office supplies, 14% to 52%
 - Software, 7%
 - Other paper products, 22%

The above equate to approximately \$42,000 in savings during the fiscal year 2009.

- Staffing at FHSU did not change as a result of the purchasing pilot.
- Changes have not been without challenges. FHSU, because of its location, has experienced difficulty with some businesses related to our delivery needs. At times, staff has not been totally receptive of the added flexibility allowed by the purchasing pilot when seeking best price and best quality.

Fort Hays State University considers the pilot a success and very beneficial to its continuing operations. FHSU appreciates the opportunity to participate in the pilot program and the willingness and trust the Legislature has placed in the Kansas Board of Regents and the university to do the right thing.

Edward H Hammond
President
Fort Hays State University
785-628-4231
ehammond@fhsu.edu

House Education Committee

Hearing on H.B. 2433

January 20, 2010

Testimony of Barry Swanson
Director of Purchasing and Strategic Sourcing
University of Kansas

Chairman Aurand, Vice Chair Horst and Ranking Minority Member Winn, I am Barry Swanson, Director of Purchasing and Strategic Sourcing for the University of Kansas, Lawrence campus and I am here to testify in support of H.B. 2433.

The University of Kansas appreciates the Committee's attention to this legislation. The Legislature has long stressed the importance of all state agencies being accountable for and good stewards of taxpayer dollars.

The University of Kansas takes this responsibility very seriously and appreciates the empowerment granted by the 2006 Kansas legislature when they passed Senate Bill 52, the terms of which are codified in KSA 76-769.

KSA 76-769 established a 3- year purchasing pilot program where the Board of Regents could select one regional institution and one research institution to be exempt from the basic state purchasing statute as well as the Prison Made Goods Act. Fort Hays State and the University of Kansas were the institutions selected. The pilot project will sunset on June 30, 2010 unless H.B 2433 is passed to extend the exemptions.

During the last 3 years FHSU and KU reported material hard dollar savings and efficiencies that were only possible due to the purchasing pilot program. KU has reported hard dollar savings of approximately 1.9 million and was able to process competitive bid transactions more quickly by saving approximately 13 days per transaction. This equates to a roughly 40% reduction in processing time.

These savings and efficiencies have been achieved without incurring additional cost or administrative burden. The elimination of the flexibility would result in the loss of the hard dollar savings and administrative efficiencies documented by the pilot institutions.

The primary reason these savings were achieved is the fact that KU developed policies and procedures for Kansas Board of Regents approval that were designed to maximize competition.

Campus departments have been given a toolbox of options to consider as they source needed products and services. The options are simple:

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For transactions that total \$5,000 or less the departments may utilize any available state or approved consortia contract or go directly to the open market without first having to complete a bureaucratic approval process.

For transactions that total in excess of \$5,000, departments may utilize any available state or approved consortia contract or seek competitive bids or non-competitive approval through KU Purchasing Services.

This environment gives departments the flexibility and options they desire and also minimizes the level of bureaucracy required to complete normal transaction processing.

Of equal importance is the fact this competitive environment ensures that all contract vendors must constantly compete for every University dollar.

Finally, this environment also grants significant opportunities for local, small, minority and women-owned businesses to compete for University business. No longer is business primarily packaged on a Statewide or even University-wide contract basis only. This allows smaller vendors to compete for individual transactions and thus increase their chances of being able to compete successfully.

H.B 2433 will make permanent the terms of KSA 76-769 and expand its scope to include all state educational institutions. The proposal also broadens the exemption to include statutes related to the University Press, Division of Printing, real estate leases, professional services and negotiated procurements.

In the recently completed Legislative Post Audit Report eleven (11) items were identified by Regent institutions that would allow them to operate more efficiently. Three (3) of those items would be addressed by passage of H.B 2433.

I would be happy to answer any questions.

Testimony on HB 2433
To
The House Education Committee

By Roger Werholtz
Secretary
Kansas Department of Corrections
January 20, 2010

HB 2433 exempts the state universities from the provisions of statute otherwise governing state agencies regarding the lease of real property and the purchase of supplies, materials, equipment, goods, property, printing or services including products manufactured by inmates assigned to Kansas Correctional Industries (KCI). In 2006, two regents' institutions, as a pilot program, were granted an exemption beginning June 1, 2007 through June 30, 2010 from statewide purchasing contracts, competitive bid statutes, travel service contracts, and the purchase of prison made goods. HB 2433 would extend those exemptions to all of the state educational institutions.

The Department of Corrections supports cost saving measures that the state can implement. The Department believes that the calculation of savings derived from the purchase of non-KCI goods should include the fact that KCI revenues are used for other operations of the Department as an offset to reductions in state general fund revenues. Additionally, KCI provides inmates important job skills for their reentry into the community upon release from prison. If the cost of KCI products is not competitive to the private sector and an exemption from KCI purchases is adopted the Department would urge amendment of the Prison Made Goods Act to allow KCI to expand its market to include sales to Kansas residents and businesses.

The state regent institutions have made substantial purchase of inmate manufactured goods. The annual sales to state regent institutions of KCI products have been:

FY 2001	\$1,061,254
FY 2002	\$1,010,571
FY 2003	\$1,117,501
FY 2004	\$ 970,801
FY 2005	\$1,049,326
FY 2006	\$ 933,199
FY 2007	\$ 859,738
FY 2008	\$ 768,857
FY 2009	\$ 945,776

These revenues could be lost to KCI and as a source of funding for the Department's operations. Additional, supervision of inmates working in the KCI program are supervised by KCI staff (paid by fees generated by KCI) rather than corrections officers (paid by state general funds).

In the report of KU's pilot program experience dated December 17-18, 2008, KU reported spending \$213,864 for HON furniture in FY 2008. (HON is a private vendor). KU reported a savings in FY 2008 of \$7,999 by using a KU specific contract with HON over the state contract with HON. The Department is not aware of what KU and FHSU calculates was saved by curtailing purchases of KCI products and therefore does not know whether curtailing the purchase of KCI products would save regents' institutions funds.

Historically, the existence of the KCI program using inmate labor to provide goods to state agencies and the Department's interests in expanding the sales base for KCI prod

challenged as unfairly competing with private business. The Department believes that KCI products are competitively priced and that as a matter of public policy, the use of inmate labor as a reentry training tool for inmates enhances public safety. The Department recommends a thorough review of the savings experienced by the pilot regents' institutions project as to what portion of the savings experienced is due to the exemption from the purchase of inmate made goods as opposed to the other exemptions provided for by the pilot program.

If a substantial savings to the pilot program is due to an overpricing of KCI products, the Department believes that an expansion of KCI's market would be justified since KCI would not be unfairly competing with the private sector by undercutting the price of goods. Therefore, the market to which KCI could sell could be expanded without unfairly competing with the private sector. The Department proposes that the Prison Made Goods Act be amended to allow for sale of KCI products to Kansas residents and businesses. This would permit sales of KCI highway paint and signage, furniture and other items to businesses. A balloon amendment for this proposal is attached.

1 act of Kansas requiring any such acquisition to be made from the secretary
2 of corrections as provided in K.S.A. 75-5273 through 75-5282, and
3 amendments thereto, or any rules and regulations or policies adopted
4 thereunder.

5 (b) The state board of regents shall submit a report to the legislature
6 at the beginning of the regular session in 2007, 2008, 2009 and 2010
7 regarding the activities of the pilot universities under the provisions of
8 subsection (a). Each such report shall include any new or amended pol-
9 icies adopted by the state board of regents for implementation of such
10 activities, the amounts and kinds of expenditures by the pilot universities
11 for activities under each paragraph of subsection (a), and shall include
12 information regarding any savings experienced and any issues or problems
13 encountered for all such acquisitions for the pilot universities under the
14 provisions of subsection (a).

15 (c) The director of purchases shall submit a report to the legislature
16 at the beginning of the regular session in 2007, 2008, 2009 and 2010
17 regarding the impact of the pilot project conducted pursuant to subsec-
18 tion (a) on the purchasing system of the department of administration
19 and on the purchases and purchasing activities of state agencies other
20 than pilot universities, including information regarding amounts and kinds
21 of expenditures by such other state agencies and regarding other issues
22 or problems encountered as a result of the pilot project.

23 Sec. 2. K.S.A. 76-392 and K.S.A. 2009 Supp. 76-769 are hereby
24 repealed.

25 Sec. 3. This act shall take effect and be in force from and after its
26 publication in the statute book. ✓

~~Section 1.~~ K.S.A. 2008 Supp. 75-5275 is hereby amended to read as
follows: 75-5275. (a) The secretary is hereby authorized to purchase in
the manner provided by law, equipment, raw materials and supplies, and
to employ the supervisory personnel necessary to establish and maintain
for this state at each correctional institution, industries for the utilization
of services of inmates in the manufacture or production of such articles
or products or in providing such services as authorized by the prison-
made goods act of Kansas.

(b) The secretary is hereby authorized to sell all such articles, prod-
ucts and services to the federal government, any state agency, state em-
ployees for their personal use, any local agency, or any organization within
the state and, to the extent not prohibited by federal law, to other states.

(c) The secretary is hereby authorized to contract with a private in-
dividual, corporation, partnership or association for work projects involv-
ing assembly, processing, fabrication or repair of parts or components for
goods or products being manufactured or produced by the contracting
party. Any contract authorized by this subsection shall be in compliance
with federal law and shall not result in the significant displacement of
employed workers in the community. If an inmate receives at least federal
minimum wage pursuant to a contract authorized by this subsection, the
provisions of K.S.A. 75-5211 and 75-5268, and amendments thereto, for
withdrawing amounts from the compensation paid to inmates shall apply.

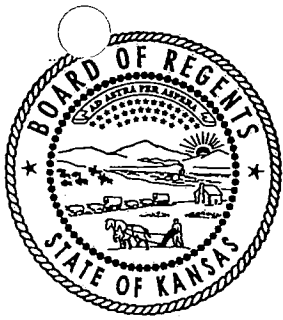
(d) The secretary is hereby authorized to contract with a private in-
dividual, corporation, partnership or association for work projects in-
volving the repair of real estate damaged by a tenant under the release
supervision of the department of corrections. ✓

[New Section 2 insert
amending K.S.A. 2009 Supp.
75-5275]

, residents and businesses

Sec. 3. K.S.A. 76-392 and
K.S.A. 2009 Supp. 76-769
and 75-5275 are hereby
repealed.

Sec. 4. This act shall take
effect and be in force from
and after its publication in the
statute book.



KANSAS BOARD OF REGENTS

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January 20, 2010

Representative Clay Aurand, Chairman
House Education Committee
Statehouse, Room 174-W
Topeka, KS 66612

Representative Valdenia Winn, Ranking Member
House Education Committee
Statehouse, Room 451-S
Topeka, KS 66612

Dear Chairman Aurand and Ranking Member Winn:

On behalf of the Kansas Board of Regents, I write to you in support of House Bill 2433, legislation that would make a successful purchasing pilot program permanent and would extend it to all six state universities. To date, **this pilot program has resulted in nearly \$2 million in savings.**

During the 2006 legislative session, Senate Bill 52 (K.S.A. 76-769) was enacted authorizing a pilot project for the purchasing systems of two state universities. The purpose of the pilot was to exempt participating state universities from certain basic state purchasing requirements (statewide purchasing contracts, state travel services, and the Prison Made Goods Act). In June 2006, the Board designated Fort Hays State University (FHSU) and the University of Kansas (KU) as the two institutions that would participate in the pilot project. The pilot project began in Fiscal Year 2008, and, if not re-authorized, will sunset at the conclusion of the current fiscal year (Fiscal Year 2010). In addition, it is important to note that the Legislative Division of Post Audit, in an August 2009 report entitled *State Universities: Can State Universities Provide Postsecondary Education More Efficiently To Reduce Costs*, highlighted the pilot project as a way for the six state universities to produce cost savings.

The Board's policy requires each participating state university to develop a plan for the administration of their purchasing system, and each must develop and maintain written policies and procedures ensuring that efficient internal controls are utilized. Pursuant to Board policy, FHSU and KU presented reports to the Board at its December 2008 and December 2009 meetings, and **they reported documented hard dollar savings totaling \$804,000 in Fiscal Year 2008 and \$1,021,000 in Fiscal Year 2009.** The Board was impressed by the reports and endorsed the pursuit of legislation that would: 1) make the pilot program permanent; 2) extend the flexibility allowed under the terms of the pilot program to the other four state universities; 3) expand the authority to exempt the state universities from the statutes covering the procurement of professional services, negotiated procurement processes, and mandated use of the State Division of Printing; and 4) broaden the exemption to fully include the University Press and certain real estate leases.

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Attachment 5

As with all purchases made under this expanded authority, the Board, the Governor via the Division of Purchases, and the Legislature could still review and audit all completed purchasing transactions at any time. The Board concluded, based on hard data from the two-year pilot program, that these changes will provide the state universities with the necessary flexibility and latitude to pursue the best and most cost-effective source of supply and thus better respond to the extreme pressures of today's constrained State budget environment.

Thank you for your consideration of House Bill 2433.

Sincerely,

A handwritten signature in cursive script, appearing to read "R. L. Robinson".

Reginald L. Robinson
President & CEO



WICHITA STATE UNIVERSITY

Office of the President

House Education Committee

Hearing on H.B. 2415 and H.B. 2433

January 20, 2010

Chairman Aurand and members of the Education Committee, Wichita State University stands with the Board of Regents and the six Regents' institutions in Support of H.B. 2415 and H.B. 2433. These bills, if passed, will increase flexibility, improve efficiency, and make us a more effective university during these difficult times.

Having the ability to look for better and less expensive alternatives to purchasing and disposal of surplus property would allow us to better meet the needs of our mission, students and community. Most importantly, these bills give us another tool to deal with this difficult budget cycle. The cuts we have faced to date have been drastic and have forced us to reexamine how we provide a higher education. Having more options and better alternatives will help us reach our goal.

Wichita State University hopes that you can support both H.B. 2415 and 2433. Thank you for allowing us to submit testimony to that effect.

Andrew J. Schlapp

Executive Director of Government Relations

and Board of Trustees

316-650-6620

House Education Committee

Date 1-20-10

Attachment 6



Pittsburg State University

OFFICE OF THE PRESIDENT

House Education Committee
Hearing on H.B. 2433
January 20, 2010

Testimony of Victoria White
Pittsburg State University

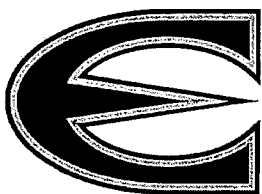
Chairman Aurand and Members of the House Education Committee. On behalf of Pittsburg State University, I am pleased to present this testimony in support of HB2433. We fully support this legislation and the progress it represents. HB 2433 would assist the Regents institutions in gaining administrative efficiencies.

PSU has watched with interest the purchasing pilot program being conducted at the University of Kansas and Fort Hays State University under KSA-76-769. Both institutions have reported gains in cost savings and operating efficiencies due to the program. It has also been PSU's experience that additional purchasing authority allows the University to operate more efficiently and save money.

An institution of higher education varies greatly from a typical state agency. For example, the variety of items purchased by a university is much boarder in scope. Timing and time constraints can also be less manageable. Requiring a higher education institution to follow the same purchasing process as the average state agency doesn't take into account the vast differences in the mission of the two entities. One agency is responsible for building and fixing roads, for example, the other is responsible for educating thousands of students in hundreds of different programs while maintaining an infrastructure the size of a small city. There are few similarities between the two. Trying to conform to policies written for the typical state agency can be very difficult for a university. Time and again it has proven to be detrimental for us.

The changes presented to you in HB2433 allow higher education in Kansas to operate in the most efficient way possible. These proposed changes would allow us to take full advantage of opportunities, such as purchasing cooperatives, available only to educational institutions. The changes would also allow the University to react quicker to rapidly changing trends in higher education.

Pittsburg State University strongly encourages you to support HB 2433.



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OFFICE OF THE PRESIDENT
Campus Box 4001

January 19, 2010

Representative Clay Aurand, Chairperson
House Education Committee
Statehouse – Room 174-W
Topeka, KS 66612

Dear Rep. Aurand:

I am writing to request your support for two bills assigned to the House Education Committee. Both have been requested by the Kansas Board of Regents and its Council of University Presidents and are related to improving financial efficiency in the University system. The bills have also received the endorsement of the Legislative Educational Planning Committee.

House Bill 2433 would allow all six state universities to permanently utilize purchasing authority which has been extended to two institutions on a trial basis during the most recent three years. The Legislation exempts the state universities from the traditional state purchasing statutes, allowing them instead to develop purchasing programs under the direction and authority of the Kansas Board of Regents. It also allows the Universities to continue to utilize the services of the Department of Administration, Division of Purchases. Such a hybrid approach has worked to the benefit of the University of Kansas and Fort Hays State University, during the aforementioned trial period. Under certain circumstances, savings have been experienced through this approach. But more importantly, both institutions have experienced improved efficiency in their administrative processes as a result of a more streamlined approach to purchasing. We believe the legislation provides a classic win-win situation, preserving the services currently available to the universities and providing an option for a new approach. Please consider passage of the legislation.

House Bill 2415 would exempt the six state universities from the state surplus property statutes. The state surplus property laws are an efficient mechanism for smaller Topeka based agencies to dispose of used items. However, the Universities would be better served by allowing them to develop their own mechanisms. This legislation provides such an opportunity, allowing streamlining and individualizing the approaches to be followed by the campuses. We are hopeful the Committee will also give favorable consideration to the bill.

Sincerely,

Michael R. Lane
President



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Testimony on HB 2433
House Education Committee
Bruce Shubert, Vice-President Administration and Finance
Susan Peterson Director of Governmental Relations, Office of the President
Kansas State University
January 20, 2010

Chairman Aurand and Members of the House Education Committee:

We are pleased to present this testimony in support of HB2433.

Kansas State University will work with the Kansas Department of Administration, the Kansas Board of Regents on the process to implement the provisions of HB 2433. We believe the passage of this legislation will benefit the university, through efficiency and increased accountability and transparency on university purchases.

We encourage your support of HB 2433.

House Education Committee
Date 1-20-10
Attachment 9

ACEC

AMERICAN COUNCIL OF ENGINEERING COMPANIES
of Kansas

Affiliated with:

American Council of Engineering Companies
Kansas Society of Professional Engineers
National Society of Professional Engineers
Professional Engineers in Private Practice

TESTIMONY

TO: HOUSE EDUCATION COMMITTEE

FROM: SCOTT HEIDNER
EXECUTIVE DIRECTOR
AMERICAN COUNCIL OF ENGINEERING COMPANIES OF KANSAS
(ACEC KANSAS)

RE: HB 2433

DATE: JANUARY 20, 2010

Chairman Aurand and members of the Committee, thank you for the opportunity to submit testimony on HB 2433. My name is Scott Heidner, and I am the Executive Director of the American Council of Engineering Companies of Kansas (ACEC Kansas). ACEC Kansas is the trade group for consulting engineering companies in Kansas.

We are here today not as a proponent or opponent of HB 2433, but merely to seek confirmation on one specific topic. HB 2433 would amend certain purchasing and procurement requirements for the Board of Regents. We have had discussions with Julene Miller and Eric King, legal and design staff for the Board of Regents, and they have shared their belief that the bill does *not* make any changes to procurement requirements for professional design services by engineers and architects. We concur with that analysis. As long as the Committee and legislative staff are also in agreement with this analysis, we have no objections to HB 2433.

If there *is* uncertainty or disagreement about whether or not the proposed language would change the procurement process for professional design services, we would be delighted to sit down with other stakeholders and work towards language that would lend clarity to this issue.

Thank you for your time and consideration.



AIA Kansas
A Chapter of the American
Institute of Architects

January 20, 2009

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Wichita

TO: House Education Committee
FROM: Trudy Aron, Executive Director
RE: HB 2433

Good Morning Chair Aurand and Members of the Committee. I am unable to be with you today but would like to provide this written testimony on HB 2433.

AIA Kansas is a statewide association of architects and intern architects. Most of our 700 members work in over 120 private practice architectural firms designing a variety of project types for both public and private clients. Our members are designing tomorrow's building today. These buildings are meeting the triple bottom line: environment, people and economy.

HB 2433 allows the State education institutions to procure their own products and services, including some professional services.

AIA Kansas has been assured that HB 2433 does not affect how architectural and engineering services are obtained. They will continue to be acquired as they are now by Regents institutions.

With this assurance, AIA Kansas has no position on the bill.

Thank you for your time. If you have questions, please let me know.

Executive Director
Trudy Aron, Hon. AIA, CAE
info@aiaks.org