SPECIAL REPORT

PROGRAM RESULTS EVALUATION OF THE

KANSAS TUITION GRANT PROGRAM

December 3, 1974

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STATE OF KANSAS

LEGISLATIVE DIVISION OF POST AUDIT

TOPEKA

Legislative Division of Post Audit

MILLS BUILDING
TOPEKA, KANSAS 66612

December 3, 1974

To: Members, Legislative Post Audit Committee

Senator Ross O. Doyen, Chairman	Senator Ted D. Saar
Representative Clyde Hill, Vice-Chairman	Representative Donn J. Everett
Senator Robert F. Bennett	Representative Richard Loux
Senator Joseph C. Harder	Representative George Wingert
Senator Jack Steineger	Representative David Heinemann

Re: Kansas Tuition Grant Program

Gentlemen:

The attached Special Report - Program Results Evaluation of the Kansas Tuition Grant Program is respectfully submitted for your consideration.

The audit report contains three chapters with a covering digest, summarizing the major conclusions and recommendations developed during the audit. Chapter 1 details the legal and organizational framework of the Kansas Tuition Grant Program; Chapter 2 examines the mechanics of the Program for the 1974-75 academic year; and Chapter 3 addresses the 1973-74 academic year impact of the Program.

The State Education Commission's response to the conclusions and recommendations is contained in Appendix B. Appreciation is extended to the Commission for their cooperation during the audit and for the dispatch with which they prepared their response to this audit report.

Respectfully yours,

W. Keith Weltmer
Post Auditor

WKW:MW:bp
Att.

SPECIAL REPORT - PROGRAM RESULTS EVALUATION

OF THE

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State of Kansas

Legislative Division of Post Audit

Topeka

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DIGEST

A - Purpose of the Audit

The Kansas Tuition Grant Program is a relatively new program, designed to provide financial assistance to Kansas students attending Kansas independent colleges. The purpose of this audit was twofold; (1) to examine the administration of the Program by the State Education Commission and, (2) to assess the Program's impact on Kansas students and independent colleges.

B - Audit Format

The audit report is divided into three chapters. Chapter 1 details the statutory and organizational framework of the Kansas Tuition Grant Program. Chapter 2 examines the mechanics of the Program for the 1974-75 academic year. Chapter 3 addresses itself to the 1973-74 academic year impact of the Kansas Tuition Grant Program. All grant, applicant, and grantee data contained in this audit was obtained from the State Education Commission.

The audit included a survey of all Kansas independent colleges participating in the Kansas Tuition Grant Program. The survey was conducted through the use of a Legislative Division of Post Audit Questionnaire, reprinted as Appendix A to this audit report.

The State Education Commission's response to this audit is contained in Appendix B - Agency Comments.

C - Conclusions and Recommendations

As a result of this audit, twelve conclusions and recommendations are made. Page references to detailed discussion of each conclusion are indicated parenthetically.

1 - Conclusion: K.S.A. 72-6111(e) requires the State Education Commission to prepare an annual report, evaluating the performance of the Kansas Tuition Grant Program. The Commission has not prepared an annual report covering the 1973-74 academic year. (Page 6)

Recommendation: *An annual report, evaluating the performance of the Kansas Tuition Grant Program, during the 1973-74 academic year, should be prepared by the State Education Commission.*

2 - Conclusion: The constitutionality of the Kansas Tuition Grant Program has been upheld in a Federal District Court decision; Americans United v. Bubb, ___ F. Supp. ___, (D. Kans. 1974). A material factor in the court's decision was the State Education Commission's administration of the Program within the Program's statutory framework. (Pages 13-14)

Recommendation: *None.*

3 - Conclusion: The criteria, utilized by the State Education Commission in determining whether an applicant is self-supporting, is not in accordance with the Commission's Regulations. K.A.R. 87-1-1(c) defines a self-supporting student as one "...who has not received a sum in excess of $200 from his parents in the calendar year...." The State Education Commission currently permits a self-supporting applicant to receive up to $600 per year from his parents. (Page 15)

Recommendation: *K.A.R. 87-1-1(c) should be amended to permit a self-supporting student to receive up to $600 per year from his parents.*

4 - Conclusion: The "needs analysis" utilized by the State Education Commission for dependent-single applicants is not in compliance with K.A.R. 87-1-1(d). The Regulation states that "Student contribution means the amount a student can contribute from his own work and resources,... based upon criteria established by the financial needs analysis agency..." (Underlining added). The Commission's current "needs analysis" for a dependent-single applicant does not consider the applicant's assets, whereas the normal ACT "needs analysis" does consider the assets of a dependent-single student in determining his student contribution. The Commission's practice of ignoring the assets of a dependent-single applicant is also a violation of K.A.R. 87-1-1(e) which provides that "Student resources shall include assets, earnings, work-study income, and any grant coming directly to the student from non-college sources..." (Underlining added). (Pages 20, 22)

Recommendation: *The State Education Commission's current "needs analysis" for a dependent-single applicant should be modified so as to consider the applicant's assets in determining his student contribution.*

5 - Conclusion: The ACT "needs analysis" provides for a Deductions Allowance and a Housekeeping Allowance as offsets against income in computing the contributions of dependent applicants. These offsets are not applied in determining the contributions of self-supporting applicants. This variance between the two

dependent models and the self-supporting model may be discriminatory towards the self-supporting applicant. (Page 22)

Recommendation: *A study should be undertaken by the State Education Commission to determine whether the variances in allowable deductions between the dependent and self-supporting models are in fact discriminatory. If such discrimination is found to exist, the "needs analysis" should be modified accordingly.*

6 - Conclusion: In determining individual college budgets, the State Education Commission now proscribes a uniform allowance for Room & Board, books, supplies, and incidentals. The adaption of this procedure, by which the Commission is no longer required to approve the individual colleges' estimates of these items, enhances the constitutionality of the Program by lessening church-state entanglement. (Pages 23, 25)

Recommendation: *None.*

7 - Conclusion: The maintenance of three separate rosters and the corresponding allocation of the legislative award appropriation between the three models is inherently discriminatory. This practice is currently necessary due to the variances in the "needs analysis" computations performed for each model, thus rendering impossible the direct comparison of "contribution" and "financial need" figures between applicants in different models. The fallacy of the State Education Commission's procedure is that it cannot be stated with certainty that an equal percentage of applicants in each of the models will be equally deserving of Kansas Tuition Grants. Rather, it would be more likely that one model would, by its very nature, have a higher percentage of eligible and deserving applicants than another model. (Page 26)

Recommendation: *The "needs analysis" procedures utilized by the State Education Commission should be reviewed in an effort to make "contribution" and "financial need" figures comparable for all applicants; thereby permitting the rostering of all applicants on one list.*

8 - Conclusion: The selection process, utilized by the State Education Commission, does not discriminate against any class of applicants by reason of their race, sex, or college choice. (Page 26)

Recommendation: *None.*

9 - Conclusion: K.A.R. 87-1-6 gives the State Education Commission the authority to examine the State and Federal Income Tax Returns of applicants and their parents. The Commission has not made use

of this authority to verify the accuracy of financial data submitted by applicants. (Page 31)

Recommendation: *The State Education Commission should examine the relevant State and Federal Income Tax Returns in cases where the applicant has submitted financial data that is inconsistent or questionable.*

10 - Conclusion: The participating independent colleges have unnecessarily delayed the return of Warrants issued to grantees who became ineligible for a Grant before the Warrants were distributed. If this practice continues during the 1974-75 academic year, the Commission will be precluded from awarding additional or replacement Grants to deserving applicants. The Commission has advised the independent colleges of the necessity to return such Warrants on a timely basis. (Pages 32-33)

Recommendation: *None.*

11 - Conclusion: The Kansas Tuition Grant Program has assisted Kansas students in attending the Kansas college of their choice. The $1,000 maximum Grant closely approximates the cost differential to the student between the state-supported and the independent colleges of Kansas. Thirty-two percent of the grantees responding to a State Education Commission Grantee Questionnaire indicated that the Program did offer them freedom of college choice. An additional thirty-two percent of the respondents were uncertain of the Program's impact on their college choice, while the remaining thirty-six percent indicated that the Program had no impact on their college choice. (Pages 34,38)

Recommendation: *None.*

12 - Conclusion: The Kansas Tuition Grant Program has indirectly given financial aid to the independent colleges of Kansas. The Program has been a factor in increasing the enrollment of Kansas residents at Kansas independent colleges, resulting in additional Tuition & Fee revenues for the independent colleges. Tuition Grant Representatives have indicated that the Program was responsible for the attendence of 961 Kansas residents at the independent colleges during the 1973-74 academic year. During the same year, just under fifty percent of the Kansas residents attending the participating independent colleges received Tuition Grants. The Kansas Tuition Grants awarded to students attending fifteen of the participating independent colleges equalled seventy-one percent of those colleges' estimated Student Financial Aid expenditures and seven percent of their estimated Total Operating Budget. (Pages 38,40,42)

Recommendation: *None.*

CHAPTER 1 - GENERAL

A - Background

The Kansas Tuition Grant Program was created by the passage of Senate Bill No. 144 by the 1972 Kansas Legislature. The Program provides financial assistance to Kansas residents attending independent Kansas colleges. A Program Audit of the Kansas Tuition Grant Program was authorized by the Legislative Post Audit Committee in its March 25, 1974, meeting in order to assess a relatively new State program of general interest to Committee members. The purpose of this program audit is to evaluate the operation of the Kansas Tuition Grant Program and to assess the impact of the Program on the independent colleges in Kansas and the Kansas residents attending those colleges.

The State Education Commission is directed, by K.S.A. 72-6111(e), to evaluate the Kansas Tuition Grant Program in an annual report to be submitted to the Governor and the Legislature. An annual report, evaluating the Program's first year of operation, was prepared and submitted. However, the State Education Commission has not submitted an annual report detailing the Program's performance during the 1973-74 academic year.

B - Introduction

The Kansas Tuition Grant Program provides annual grants of up to $1,000 to Kansas residents attending independent Kansas colleges. The Program's objective is two-fold: (1) to assist Kansas students in attending the college of their choice and; (2) to indirectly give financial aid to the independent colleges of Kansas in order that they might remain viable educational institutions. [1]

In recent years the independent colleges of Kansas have been forced to raise their tuitions in response to inflation. The increased tuition charged by the independent colleges has limited the access of many students to the independent colleges, resulting in a decline in independent college enrollments. A motivating force in the enactment of the Kansas Tuition Grant Program was the belief that the independent colleges of Kansas comprised a valuable educational resource both to the State of Kansas and to the eighteen Kansas communities in which the institutions were located at the Program's inception.

The $1,000 grant amount was intended to approximate the cost differential to the Kansas student in attending one of the public colleges or universities of Kansas versus one of the independent

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[1] Robert B. Docking, Message of Robert B. Docking to the Kansas Legislature, (January 11, 1973); Americans United v. Bubb, ___F. Supp.___, (D. Kans. 1974).

colleges of Kansas. The Kansas Tuition Grant Program was designed to enable students of limited financial resources to attend the Kansas college, public or independent, best suited to his educational needs. It was felt that by giving more students the opportunity to attend an independent Kansas college, the Program would ease the enrollment decline sustained by those colleges, thereby improving their financial position.

The Kansas Tuition Grant Program is administered by the State Education Commission, a five-member commission appointed to four year terms by the Governor under the authority of K.S.A. 72-6204. In addition to the Commission members, the State Education Commission had an administrative staff comprised of seven positions for Fiscal Year 1974. The organization and staffing of the State Education Commission, as it relates to the Kansas Tuition Grant Program, is illustrated in Figure 1. The figures in parentheses indicate the amount of time devoted to the Tuition Grant Program by the various staff members.

Figure 1

Kansas Tuition Grant Program

Organization + Staffing

Fiscal Year 1974

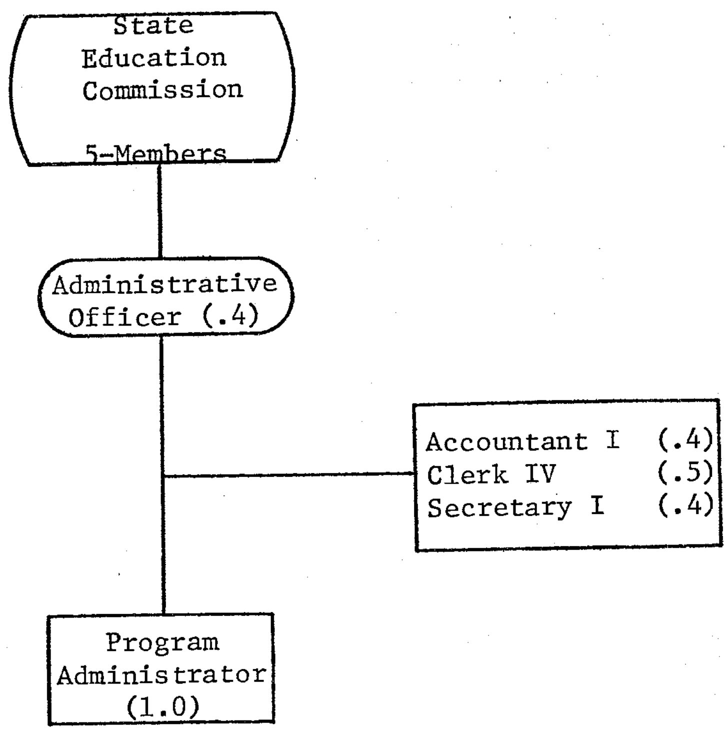

Figure 2

Kansas Tuition Grant Program Summary
Fiscal Year 1974
1973-74 Academic School Year

College	(1) Number of Applicants	(2) Number of Full-Year Grantees	(3) Number of Partial-Year Grantees	(4) Total Number of Grantees	(5) Percent of Total Grantees (Col. 4÷2722)	(6) Grant Amount	(7) Percent of Total Grant Amount (Col. 6 ÷ $2,329,286)	(8) Headcount Enrollment	(9) Percent of Total Headcount Enrollment (Col. 8÷11,075)	(10) Grantees Percent of Headcount (Col. 4÷Col. 8)	(11) Full-Time Kansas Resident Enrollment
Baker University	218	118	18	136	5.0%	$ 121,588	5.2%	744	6.7%	18.3%	363
Benedictine College	263	137	28	165	6.1	144,750	6.2	1,060	9.6	15.6	328
Bethany College	329	197	43	240	8.8	209,158	9.0	735	6.6	32.7	416
Bethel College	272	172	24	196	7.2	178,434	7.7	564	5.1	34.8	318
College of Emporia	77	0	48	48	1.8	23,732	1.0	430	3.9	11.2	155
Donnelly College	26	16	4	20	0.7	9,430	0.4	426	3.8	4.7	214
Friends University	316	196	84	280	10.3	240,502	10.3	889	8.0	31.5	767
Hesston College	67	49	9	58	2.1	49,991	2.1	470	4.2	12.3	109
Kansas Newman College	218	133	56	189	6.9	153,892	6.6	600	5.4	31.5	389
Kansas Wesleyan College	168	108	40	148	5.4	122,975	5.3	489	4.4	30.3	256
McPherson College	156	102	22	124	4.6	108,499	4.7	506	4.6	24.5	200
Marymount College	274	197	35	232	8.5	208,549	9.0	609	5.5	38.1	372
Ottawa University	179	115	26	141	5.2	124,297	5.3	652	5.9	21.6	270
St. John's College	54	38	1	39	1.4	31,162	1.3	316	2.9	12.3	103
St. Mary College	74	40	9	49	1.8	40,600	1.7	481	4.3	10.2	119
St. Mary-Plains College	207	137	41	178	6.5	144,115	6.2	401	3.6	44.4	279
Southwestern College	222	146	42	188	6.9	161,537	6.9	693	6.3	27.1	431
Sterling College	200	121	27	148	5.4	129,875	5.6	469	4.2	31.6	214
Tabor College	203	122	21	143	5.3	126,200	5.4	541	4.9	26.4	239
Totals	3,523	2,144	578	2,722	100.0%	$ 2,329,286	100.0%	11,075	100.0%	24.6%	5,542

There were actually 559 Grantees receiving partial year awards and 2,703 total awards as 19 Grantees attended two colleges during the 1973-74 academic school year. College of Emporia discontinued operations in the second half of the 1973-74 academic school year.

Data provided by the State Education Commission.

C - Funding

The Kansas Tuition Grant Program is funded on an annual basis by the Kansas Legislature. The State Education Commission made awards to 1,118 students utilizing $999,026 of the one million dollars appropriated by the Legislature for the Program's first year of operation, the 1972-73 academic year. Administrative expenses for the period were $39,060.

The Kansas Legislature increased the award appropriation to 2.5 million dollars for Fiscal Year 1974. Kansas Tuition Grants totaling $2,329,286 were made to 2,144 of the 3,523 applicants for the 1973-74 academic school year. A detailed summary of the Fiscal Year 1974 operation of the Kansas Tuition Grant Program is contained in Figure 2. Approximately $53,000 was expended by the State Education Commission in administering the Program.

The Kansas Legislature has continued the Kansas Tuition Grant Program award appropriation at the 2.5 million dollar level for Fiscal Year 1975. A breakdown of the total operating budget for the Fiscal Year 1975 operation of the Tuition Grant Program, including administrative expenditures, is contained in Figure 3.

D - Legal Authority

1. Kansas Statutory Authority

The statutory authority for the operation of the Kansas Tuition Grant Program is contained in Chapter 72, Article 61 of the Kansas Statutes Annotated, entitled Tuition Grants for Private Institutions. Pertinent provisions of the statutes are summarized below.

K.S.A. 72-6108 provides that "A tuition grant may be awarded to any qualified student enrolled at any accredited independent institution;...for not more than eight (8) semesters of undergraduate study..." A qualified student is defined as "...a full-time in-state student who has established financial need..." K.S.A. 72-6107(d). K.S.A. 72-6107(e) defines an accredited independent institution as a Kansas college"...which (1) is operated independently and not controlled or administered by any state agency or subdivision of the state, (2) maintains open enrollment, and (3) is accredited by the north central association of colleges and secondary schools..."

K.S.A. 72-6109 provides that the amount of a Kansas Tuition Grant "...shall be the amount of such student's financial need for the period,..." provided the grant "...shall not exceed the lesser

Figure 3

Kansas Tuition Grant Program

Operating Budget

Fiscal Year 1975

Salaries and Wages	$ 47,014	
Communication	1,520	
Printing and Advertising	1,320	
Rents and Utilities	3,386	
Repairing and Servicing	164	
Travel and Subsistence	950	
Fees - Other Services*	15,000	
Stationery and Office Supplies	1,200	
Total Administrative Expenditures		$ 70,554
Tuition Grant Awards		2,500,000
Total Expenditures		$2,570,554

* This item consists of a contract between the State Education Commission and American College Testing Program for "need analysis" and "statistical" services.

of: (a) The total tuition and required fees of that student... (b) one thousand dollars ($1,000)." "Financial need" is defined by K.S.A. 72-6107 (b) as "...the difference between a student's available financial resources and such student's total anticipated expenses to attend a certain accredited independent institution. A student's financial resources shall include (1) four hundred and fifty dollars ($450) each year from his own work and resources, and (2) a contribution from his parents' income and assets,..." (Underlining added).

K.S.A. 72-6110 provides that a Kansas Tuition Grant shall be allocated equally between the terms for which the Grant is awarded. Payment is to be made to the student only after his independent college has certified "...that the student is enrolled and is a qualified student." Upon certification a warrant will be issued in the student's name and sent to his independent college. The same statute also provides that, if a student receiving a Kansas Tuition Grant withdraws from school before the end of the term for which the Grant was awarded and is entitled to a refund from his college, the refundable amount "...shall be paid by the accredited private institutions to the state."

The State Education Commission is directed to administer the Kansas Tuition Grant Program by K.S.A. 72-6111. Subsection (b) of the statute requires the Commission to, "Adopt rules and regulations for determining financial need, selecting financial needs analysis agencies, defining tuition and required fees, determining priority or apportionment of tuition grants and other matters necessary for the administration of this act." (Underlining added). The subsection also mandates the Commission to "adopt rules and regulations consistent with statutes for determination of in-state students in universities and colleges under the state board of regents."

Subsection (d) of K.S.A. 72-6111 provides that the State Education Commission shall determine which colleges "...qualify as accredited independent institutions." The Commission is also required to prepare an annual report evaluating the Kansas Tuition Grant Program, K.S.A. 72-6111 (e).

Pursuant to K.S.A. 72-6111 the State Education Commission promulgated proposed regulations. The Commission held a hearing on the proposed regulations on September 28, 1972, and thereafter unanimously adopted the regulations which now comprise Kansas Administrative Regulations 87-1-1 through 87-1-11. The pertinent provisions of these regulations are summarized below.

K.S.A. 72-6111 (b) requires the State Education Commission to adopt rules and regulations for determining "financial need." K.A.R. 87-1-1 (b) states, in part, that "Parent's contribution means the amount parents can reasonably be expected to contribute from their income and assets toward a year's college education for a dependent..." "Student contribution" is defined by K.A.R. 87-1-1 (d) as the "...amount a student can contribute from his own work and resources toward a year's college education costs..." and "...cannot be less than $450." The same section further provides that the student contribution "...will be based upon criteria established by the financial needs analysis agency..." K.A.R. 87-1-1 (e) defines student resources to "include assets, earnings, work-study income, and any grant coming directly to the student from non-college sources." Section (f) defines "family contribution" as "...the sum of parent's contribution and student contribution."

Pursuant to K.S.A. 72-6111 (b), K.A.R. 87-1-1 (g) defines "tuition" as "...the amount of money charged a full-time student for the cost of educational services for the academic year...set by the eligible independent institution..." Section (h) of the same regulation states that "required fees" are those "...fees which are not optional for the full-time student and which are considered by the commission to be for educational purposes."

The "college budget," per K.A.R. 87-1-1 (i), is "...the total amount required for a student to attend the college..." including the "...costs of tuition and required fees, room and board, supplies, and incidentals... For married students a family maintenance budget would be substituted for room and board..." Section (i) further directs the State Education Commission to approve "All amounts to be used for maintenance, supplies, and incidentals... so that these amounts are comparable for all eligible independent institutions." In completing the mandate of K.S.A. 72-6111 (b) to "Adopt rules and regulations for determining financial need...," the State Education Commission promulgated K.A.R. 87-1-1 (j) wherein "Financial need" is designated as "...the difference between the family contribution ...and the college budget..."

K.A.R. 87-1-2 prescribes criteria by which the State Education Commission shall select a financial needs analysis agency to determine the financial need of each applicant. In order to apply for a Kansas Tuition Grant, K.A.R. 87-1-3 requires the applicant "...to be (a) a resident of the state of Kansas according to the residency statutes of the state board of regents..." In the event that the legislative appropriation is not sufficient to meet the need of all eligible applicants, K.A.R. 87-1-8 allows the State Education Commission "...to roster applicants so that the commission may offer tuition grants until the available state appropriation is exhausted."

The term "independent student" was also defined by the State Education Commission. K.A.R. 87-1-1 (c) states that such a student is one who can provide documentation "...showing that (1) his parents have not claimed him as an exemption...for the year previous to application and ...for the year applications are received, (2) he has not lived at a parent's home during the calendar year previous to application and is not planning to live at a parent's home during the year applications are received, and (3) he has not received a sum in excess of $200 from his parents in the calendar year previous to application and is not planning to receive a sum in excess of $200 from his parents during the year applications are received."

2. United States Constitution

The constitutionality of the Kansas Tuition Grant Program was challenged in Americans United v. Bubb, ___ F. Supp. ___ (D. Kans. 1974). The plaintiffs first contended that the Program violated the First Amendment in that it aids the nineteen independent colleges in imparting their religious views upon their students. The plaintiffs' second contention was that the Program violated the "equal protection" clause of the Fourteenth Amendment because the Kansas Tuition Grant Program provides grants only to those students attending independent colleges and not those students attending public colleges and universities. The Federal District Court decision upheld the constitutionality of the Kansas Tuition Grant Program.

The three-judge panel, in an opinion written by Circuit Judge Hill, applied a three-part First Amendment test to the Program. The opinion first stated that the Kansas Tuition Grant legislation must have a secular legislative purpose. The three-judge panel found the Program met this test by having a two-fold secular purpose: (1) to conserve State revenues by enabling students to attend independent colleges rather than public colleges; and (2) to give needy students financial assistance so they might attend the college of their choice.

The second First Amendment test was that the primary effect of the Kansas Tuition Grant legislation be one that neither advances nor inhibits religion. On the basis of seven findings, listed below, it was determined that the Program has a neutral effect on religion. Circuit Judge Hill's opinion says that the participating independent colleges (1) do not impose religious restrictions on the admission of students, (2) do not require attendance of students at religious activities, (3) do not require obedience by students to the doctrines and dogmas of a particular faith, (4) do not require students to attend instruction in the theology or doctrine of a particular faith, (5) are not an integral part of the religious mission of their sponsoring churches, (6) do not have the inculcation of religious values in their students as a substantial purpose, and (7) do not impose religious restrictions on faculty appointments.

The final First Amendment test was whether the Kansas Tuition Grant legislation fostered an excessive State entanglement with religion. The opinion concludes that the Program did not foster excessive State entanglement with religion for two reasons. First, the State Education Commission has all possible contacts with the individual students rather than with the various independent colleges. Secondly, the Program did not create among the electorate the potential for political discordance along religious lines due to the diversity of students and faiths involved on the various campuses.

The Federal District Court also determined that the Kansas Tuition Grant Program did not violate the "equal protection" clause of the Fourteenth Amendment. The Kansas Tuition Grant Program may arbitrarily classify students as attending either independent or public colleges. This classification was deemed reasonable because it has a fair and substantial relation to the object of the legislation. There is no discrimination inherent in the classification scheme as any public college student automatically receives State aid in an amount no less than that which a private college student may receive under the Program.

CHAPTER 2 - ADMINISTRATION OF THE PROGRAM

A - Application Procedure

The State Education Commission prepares Application Packets and distributes them to all Kansas high schools and independent colleges. The packets contain (1) an Application, (2) a Family Financial Statement, (3) an Instruction/Worksheet to aid in the preparation of the Family Financial Statement, and (4) a return envelope. The Application contains instructions for applying for the Kansas Tuition Grant Program and requests information concerning the applicant's name, address, residency, social security number, race, college choice, and educational level. The Family Financial Statement requests financial and family-size information from both the applicant and his parents for the tax year just completed (base year) and the tax year in progress (estimated year).

An applicant, in order to initiate the application process, must submit to the State Education Commission an Application, a Family Financial Statement, and a $5.50 check payable to the Amercian College Testing Program (ACT). Beginning in late January applications and Family Financial Statements are received and edited for completeness, consistency, and residency. Three copies of an Acknowledgement Letter are prepared for the applicant, his independent college, and the Commission's file. If any of the materials submitted by the applicant are defective, all submitted materials are returned to the applicant with an acknowledgement letter indicating the deficiency.

The Family Financial Statement contains three areas of questions, relative to the applicant's status as a self-supporting student, asking whether the applicant (1) has lived or is living with his parents, (2) has received or is receiving in excess of $600 per year from his parents, and (3) has been or is claimed as an exemption by his parents for income tax purposes. The $600 limitation in regard to parental support is in conflict with K.A.R. 87-1-1 (c) which sets a $200 limitation.

If an applicant indicates that he is self-supporting and if he is under the age of twenty-six, he is requested to submit affidavits attesting that he is in fact self-supporting.

There were 3,942 applicants for 1974-75 Kansas Tuition Grants. Eleven percent or 443 of the applicants indicated that they were self-supporting on the Family Financial Statement. During the course of this audit a ten percent random sample of the self-supporting applicants was examined to determine whether the required affidavits were submitted.

Thirty-one of the forty-three sampled applicants were tentatively scheduled to receive Kansas Tuition Grants. Requests for affidavits had been made in thirty instances by the State Education Commission and received by the Commission in twenty-nine instances. No request had been made of one of the tentative awardees. The State Education Commission indicated that the files of all self-supporting tentative grantees would be reviewed for the submission of the required affidavits before the final awards were made.

The Family Financial Statements and the $5.50 checks are mailed to ACT for processing on a weekly basis. The deadline for applicants applying for Kansas Tuition Grants for the 1974-75 academic school year was April 29, 1974. Applications received by that date were fully processed. Applications received between April 30 and May 30, 1974, were accepted by the State Education Commission but were not processed. The later applications were retained and will be processed in the event that the awards to the prior applicants fail to exhaust the award appropriation of 2.5 million dollars. Applications submitted after May 30, 1974, were returned to the applicants.

B - ACT Needs Analysis

The American College Testing Program receives the Family Financial Statement from the State Education Commission and determines the financial standing of an applicant through a process denominated "needs analysis." The financial standing or "needs analysis" of an applicant is reported to the Commission on the Comprehensive Financial Aid Report. The "needs analysis" system utilized by ACT varies between the three models into which applicants are categorized; namely, dependent-single students, independent or self-supporting students, and dependent-married students. The "needs analysis" utilized by ACT for each of the models is described below and outlined in Figures 4 through 6.

1. The Dependent-Single Model

A dependent-single student for the 1974-75 academic school year is considered to be an unmarried applicant who, for any of the years 1973, 1974 and 1975, (1) did or will live with his parents, (2) did or will receive $600 or more from his parents, or (3) was or will be claimed as an exemption by his parents for tax purposes. Three thousand four hundred and thirty-eight of the three thousand nine hundred and forty-two applicants, or eighty-seven percent, for the 1974-75 academic school year were classified as dependent-single students. The ACT "needs analysis" for a dependent-single student, outlines in Figure 4, begins with his parents' total taxable and nontaxable income for the tax year just completed. The ACT "needs analysis" makes five deductions from Total Income to determine Available Income. The first deduction, called

Figure 4

"Needs Analysis"
Dependent-Single Student

PARENTAL CONTRIBUTION:

Total Income
- Family Size Allowance
- Federal Income Tax
- Deductions Allowance
- Housekeeping Allowance
- Social Security Tax

Available Income

Net Assets
- Retirement Allowance

Available Assets
X Asset Conversion Formula

Available Income Increment
Adjusted Available Income
X Parental Contribution %
Contribution for Education
÷ Number of Children in College

Parental Contribution

STUDENT CONTRIBUTION:

Student Contribution = $450

or

Student Contribution = Applicant's VA-type Benefits

Student Contribution

FAMILY CONTRIBUTION

Low the Family Size Allowance, is equal to the Bureau of Labor Statistics Law Maintenance Budget allowance for the applicant's family. The second deduction from Total Income is the Federal Income Tax paid for the 1973 tax year. The Deductions Allowance is either nine percent of the applicant's parents' Adjusted Gross Income or is determined by subtracting from their 1973 Adjusted Gross Income (1) their Net Taxable Income for 1973, (2) their exemptions claimed in 1973 multiplied by $750, and (3) their Contributions and Interest for the 1973 tax year. If both of the applicant's parents are working a Housekeeping Allowance is deducted. The final deduction from income is the Social Security Tax paid in 1973.

The second step in determining the Parental Contribution is to examine the parents' assets. The net assets reported by the parents are compared to an actuary table from which is derived a retirement allowance based on the parents' age and income levels. The difference between the Net Assets and the Retirement Allowance, if positive, is the Available Assets. An Asset Conversion Formula or rate, dependent upon the parents' income and asset levels, is applied to the Available Assets resulting in the Available Income Increment. Adjusted Available Income is the sum of the Available Income and the Available Income Increment. The Parental Contribution is derived from the Adjusted Available Income by applying a Parental Contribution Percentage, (again progressive depending on income), to the latter figure and dividing the resulting Contribution for Education by the number of children in the family attending college.

The dependent-single applicant's contribution from income and assets is considered to be $450 for purposes of the Kansas Tuition Grant Program. The applicant's actual 1973 income, his estimated 1974 income, and his assets are not considered. However, if the applicant is receiving benefits in the nature of Veterans Administration (G.I.Bill) or Social Security benefits from a non-college source, the amounts of such benefits are included in the Student Contribution. No deductions or allowances are made from the Student Contribution. The sum of the Parental and Student Contributions is the Family Contribution which, according to ACT, represents the amount the applicant and his parents can reasonably be expected to contribute to the educational costs of the applicant in the forthcoming academic year.

2. The Self-Supporting Model

There were 443 1974-75 academic year applicants categorized as self-supporting students, i.e. eleven percent of the 3,942 applicants. The self-supporting applicant's estimated income for 1974 is the starting point for ACT's "need analysis," depicted in Figure 5. The applicant's Total Estimated Income is comprised of the applicant's Estimated Income and any Veterans Administration-type benefits which he receives.

ACT allows three deductions from the Total Estimated Income. The first deduction is for Federal Income Tax Payable by the applicant on his estimated taxable income. The second deduction is for the Social Security Tax that would be paid on the applicant's estimated income. The final deduction allowed is a Family Size Allowance based on the Bureau of Labor Statistics Low Maintenance Budget. The remainder after the three deductions is denominated Contribution from Income.

The final step in the ACT "needs analysis" for a self-supporting student is to examine his assets. An Asset Taxation Rate which varies inversely with the applicant's age, is applied to the applicant's net assets yielding the Contribution from Assets. The Total Contribution is the sum of the Contribution from Income and the Contribution from Assets and represents the amount that the self-supporting applicant can reasonably be expected to contribute towards his educational expenses.

Figure 5

ACT "Needs Analysis"
Self-Supporting Student

Student's Estimated Income
+ V.A.-Type Benefits

Total Estimated Income
- Federal Income Tax
- Social Security Tax
- Family Size Allowance

Contribution from Income

Net Assets
X Asset Taxation Rate

Contribution from Assets
Total Contribution

3. <u>The Dependent-Married Model</u>

The smallest category into which applicants are classified is the dependent-married model. The sixty-one applicants placed into this model comprised only less than two percent of the total applicants for the 1974-75 academic school year. A dependent-married student is a married student who is considered to be a dependent by the criteria discussed above under the dependent-single student model. The "needs analysis" utilized for a dependent-married student, outlined in Figure 6, is a combination of the analyses used for the self-supporting and dependent-single models. The parents' financial ability to defray a portion of the applicant's educational costs is determined in the same manner as it is in the dependent-single student model beginning with the parents' income for the prior tax year. The dependent-married applicant's personal financial status is determined as it is for the self-supporting student.

4. <u>Comparison of Models</u>

The ACT "needs analysis," for the Kansas Tuition Grant Program, varies among the three models in two primary aspects: student contributions and allowances against income. The dependent-single applicant is assumed to have a <u>flat</u> $450 contribution unless he is the recipient of V.A.-type benefits in which case the amount of such benefits sets the upper limit on his contribution. The income and asset levels of a dependent-single applicant are disregarded for purposes of the Kansas Tuition Grant Program. The student contribution of a self-supporting or dependent-married applicant is dependent upon the applicant's income and asset levels, provided, however, that student contribution be at least $450. A dependent-single student, having high personal income, either through his own efforts or as the recipient of income from a trust, or having substantial assets; would be deemed to have a student contribution of only $450. However, a self-supporting or dependent-married applicant with the same high income and asset levels would be given a proportionately high student contribution.

K.S.A. 72-6107 (b) states in part that "...A student's financial resources shall include (1) four hundred and fifty dollars ($450) each year from his own work and resources,..." The State Education Commission has chosen to administratively interpret this statutory provision in two ways: as a <u>flat</u> amount when applied to the majority of dependent-single applicants who do not receive V.A.-type benefits, and as a <u>minimum</u> amount when applied to the self-supporting and dependent-married applicants. K.A.R. 87-1-1 (d), adopted by the State Education Commission, states, in part, that "Student contribution means the amount a student can contribute from his own work and resources...based upon criteria established by the financial needs analysis agency...." K.A.R. 87-1-1 (e) provides that "Student resources shall include <u>assets</u>, earnings work-study income, and

Figure 6

ACT "Needs Analysis"
Dependent-Married Student

PARENTAL CONTRIBUTION:

Total Income
- Family Size Allowance
- Federal Income Tax
- Deductions Allowance
- Housekeeping Allowance
- Social Security Tax

Available Income

Net Assets
- Retirement Allowance

Available Assets
X Asset Conversion Formula

Available Income Increment

Adjusted Available Income
X Parental Contribution %

Contribution for Education
÷ Number of Children in College

Parental Contribution

STUDENT CONTRIBUTION:

Student's Estimated Income
+ V.A.-type Benefits

Total Estimated Income
- Federal Income Tax
- Social Security Tax
- Family Size Allowance

Contribution From Income

Net Assets
X Asset Taxation Rate

Contribution from Assets

Student Contribution

Family Contribution

any grant coming directly to the student from non-college sources..." (Underlining added). The current "needs analysis" contravenes this regulation in that student assets are not included in the determination of student contribution for a dependent-single applicant. The dependent-single "needs analysis" utilized for the Kansas Tuition Grant Program varies from the normal ACT "needs analysis" for a dependent-single student. The normal ACT "needs analysis" considers the dependent-single student's contribution from income to be a flat amount, entitled "summer savings," which is dependent only upon the student's educational level. The $450 dependent-single student contribution under the Kansas Tuition Grant Program is analogous to the normal ACT treatment of dependent-single student's income as "summer savings." The normal ACT "needs analysis" also computes a student contribution from assets for the dependent-single student. However, the "needs analysis" utilized for the Kansas Tuition Grant Program does not consider the dependent-single applicant's assets in computing his student contribution.

The validity of the "needs analysis" technique utilized by ACT in determining the contribution of a self-supporting applicant is suspect. The allowances against the income of such an applicant consist only of Federal Income and Social Security Taxes and a Family Size Allowance. Neither a Deductions Allowance nor a Housekeeping Allowance is permitted as an offset against income at they are for the dependent-single and dependent-married applicants. It is quite possible for a married, self-supporting applicant to have a substantially higher Total Contribution then a dependent applicant where both the self-supporting applicant and his spouse work and where the income and asset levels of the self-supporting applicant and those of the dependent-applicant's parents are equal. These variances in allowable deductions from income between the two dependent models and the self-supporting model may be discriminatory towards the self-supporting applicant.

A random sample of ten Comprehensive Financial Aid Reports, prepared by ACT, was taken in order that they might be verified. The Reports for five dependent-single and four self-supporting applicants were found to be correct in that they were mathematically accurate and the applicants were properly classified by ACT model. Examination of the Comprehensive Financial Aid Report, prepared for a dependent-married applicant, revealed the applicant to be improperly classified. This led to the examination of the Reports for the remaining sixty applicants classified as dependent-married. The classification of twenty-seven of the sixty-one applicants placed in the dependent-married model was found to be either improper or questionable. Further investigation revealed that the Family Financial Statement questions, relating to this model, had been ambiguously phrased and that ACT was thus unable to properly determine whether an applicant was in fact a dependent-married student. As a result of the shortcomings in the Family Financial Statement, the State Education Commission, in conjunction with a representative from ACT, reviewed the Comprehensive Financial Aid Reports for all applicants placed in the dependent-married model. The Family Financial Statement for the 1975-76 academic year has been revised to eliminate the ambiguity in questions relating to the dependent-married model.

C - The Selection Process

In early May, all Kansas Tuition Grant Applications received on or before the April 29, 1974 deadline are forwarded to ACT. ACT then integrates the Applications with the data contained in the Family Financial Statements and the Comprehensive Financial Aid Reports to produce the Preliminary Roster. The Preliminary Roster lists all applicants together with their Parental, Student, and Family Contributions; their first choice college, their financial need, and their tentative award amount, if any.

1. Determination of Financial Need

The determination of an applicant's financial need is dependent upon the model he is placed in. The financial need of a dependent-single applicant is the difference between the Total College Budget for the applicant's college and his Total Family Contribution. The Total College Budget for a dependent-single applicant is the sum of the college's Tuition & Fees, a nine-month Bureau of Labor Statistics Low Maintenance Budget totaling $1,890, and $135 for books and supplies. The financial need of a self-supporting applicant is the difference between his Total College Budget and his Total Contribution. The Total College Budget for a self-supporting applicant is the sum of his college's Tuition & Fees and $135 for books and supplies. The self-supporting applicant's Total College Budget does not include an amount for the Bureau of Labor Statistics Low Maintenance Budget because this amount was deducted from the applicant's income in the ACT "needs analysis" as a Family Size Allowance. (Figure 5). The financial need of a dependent-married applicant is determined by subtracting his Family Contribution from his Total College Budget. The Total College Budget for a dependent-married applicant is identical to that for a self-supporting applicants in that it does not contain an allowance for the Bureau of Labor Statistics Low Maintenance Budget. The determination of financial need for each of the three categories of applicants is outlined in Figure 7.

The preceding outline of the methods utilized by the Kansas Tuition Grant Program in determining financial need for the 1974-75 academic year represents a marked improvement over the methods previously utilized. In prior years the Total College Budget for all applicants included the individual colleges' estimates of the costs of books, supplies, and incidentals. The colleges' estimates for these items varied greatly, thus increasing the probability that an applicant, attending a college placing a high estimate on such expenses, would receive a grant rather than his counterpart attending a college placing a lower estimate on such expenses. The adoption of a uniform $135 allowance for books and supplies for all applicants is a step forward in that it allows the ultimate award determination to depend on the individual applicant's financial status rather than on the estimates his college makes for books, supplies, and incidental expenses.

The Total College Budget for a dependent-single applicant, in prior years, included the cost of Room & Board at his college. Again, the amounts charged by the colleges for Room & Board varied greatly. The replacement of Room & Board costs with the nine-month Low Maintenance Budget not only eliminates the variance between Room & Board costs at the colleges but also makes the three ACT models more equitable as the same Low Maintenance Budget is utilized in the ACT "needs analysis" for self-supporting and dependent-married applicants.

K.A.R. 87-1-1(i), in its present form, states that "...The costs of ... room and board, supplies, and incidentals shall be included in the college budget. For married students, a family maintenance budget would be substituted for room and board. All amounts to be used for maintenance, supplies, and incidentals must be approved by the commission so that these amounts are comparable for all eligible independend institutions." With the adoption of the Bureau of Labor Statistics Low Maintenance Budget and the uniform $135 allowance for books and supplies for all applicants, it is no longer necessary for the State Education Commission to approve the colleges' estimates of these costs. The present method of determining an applicant's financial need enhances the constitutionality of the Kansas Tuition Grant Program in that church-state entanglement is lessened because the State Education Commission is no longer required to approve individual college budgets.

2. <u>The Rostering Process</u>

The preparation of the Preliminary Roster again requires that applicants be divided into the three ACT models: dependent-single, self-supporting, and dependent-married. The dependent-single applicants are rostered on the basis of their Parental Contribution, in ascending order. The self-supporting applicants are rostered according to their Total Contribution, again in ascending order. Finally, the dependent-married applicants are rostered, in ascending order, by their Family Contribution. Applicants are rostered according to "contribution" amounts rather than by "financial need" in order that an applicant's choice of a college will not have an impact on the decision of whether or not he will be awarded a grant. If the awards were to be determined on the basis of the applicant's "financial need," those applicants attending the higher-cost colleges would be more apt to receive a grant that would applicants attending the lower-cost colleges.

The State Education Commission allocates the legislative award appropriation among the three applicant models in the same proportion

Figure 7

Determination of Financial Need
1974-75 Academic School Year

Dependent-Single Applicant

College's Tuition + Fees
+ $1,890 (BLS Low Maintenance Budget for 9 Months)
+ $ 135 (Books + Supplies)
Total College Budget
- Total Family Contribution (Figure 4)
Applicant's Financial Need

Self-Supporting Applicant

College's Tuition + Fees
+ $135 (Books + Supplies)
Total College Budget
- Student's Family Contribution (Figure 5)
Applicant's Financial Need

Dependent-Married Applicant

College's Tuition + Fees
+ $135 (Books + Supplies
Total College Budget
- Total Family Contribution (Figure 6)
Applicant's Financial Need

attending a college placing a high estimate on such expenses, would receive a grant rather than his counterpart attending a college placing a lower estimate on such expenses. The adoption of a uniform $135 allowance for books and supplies for all applicants is a step forward in that it allows the ultimate award determination to depend on the individual applicant's financial status rather than on the estimates his college makes for books, supplies, and incidental expenses.

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The State Education Commission allocates the legislative award appropriation among the three applicant models in the same proportion as the number of applicants in each model bears to the total number of applicants. This procedure is necessary because the contribution and financial need figures for each model are computed in different manners and are not directly comparable. Once the rostering is complete, the ACT program begins at the top of each roster, i.e. the applicant with the lowest contribution, and determines the amount of the Tuition Grant Award the applicant will receive, if any. The amount of the Tuition Grant Award is, by K.S.A. 71-6109, to be the lesser of (1) the applicant's financial need, (2) the Tuition and Fees charged by the applicant's college, or (3) one thousand dollars. The ACT program continues down each roster until the allocable legislative award appropriation for that model is exhausted. If awards have been given to all eligible applicants in a particular model before the allocable legislativetive award appropriation for that model is exhausted, the remaining appropriation is allocated to one of the remaining models. The breakdown of applicants and grantees by model for the 1973-74 academic year is contained in Figure 8. (A grantee is defined as an applicant who eventually receives a Kansas Tuition Grant.)

The maintenance of three separate rosters and the corresponding allocation of the legislative award appropriation between the three models is inherently discriminatory. This practice is currently necessary due to the variances in the "needs analysis" computations performed for each model, thus rendering impossible the direct comparison of "contribution" and "financial need" figures between applicants in different models. The fallacy of the State Education Commission's procedure is that it cannot be stated with certainty that an equal percentage of applicants in each of the three models will be equally deserving of Kansas Tuition Grants. Rather, it would be more likely that one model would, by its very nature, have a higher percentage of eligible and deserving applicants than another model.

The selection process utilized by the State Education Commission does not discriminate against applicants by reason of their race, sex, or college choice. The decision as to whether or not an applicant will receive a Kansas Tuition Grant is initially made by ACT in the preparation of the Preliminary Roster. The ACT analysis does not take cognizance of the race or sex of applicants in making the awards determination, but only uses such information for the compilation of statistical data. Figure 9 depicts the racial breakdown of all applicants and grantees for the 1973-74 academic year. Figure 10 categorizes applicants and grantees on the basis of their sex, again for the 1973-74 academic year. The applicant's first choice college, as aforementioned, is not considered in the initial award determination, but is considered in the determination of the amount of the award. This differentiation has led to the equitable distribution of awards among applicants attending all eligible Kansas independent colleges, illustrated in Figure 2.

ACT prepares, as an adjunct to the Preliminary Roster, several screening lists. These screening lists are utilized by the State Education Commission to verify the data submitted by applicants and the applicant's resulting eligibility status for a Kansas Tuition Grant.

Figure 8

Distribution of Applicants and Grantees
by ACT Model Classification
1973-74 Academic School Year

ACT Model	Applicants	Grantees	Grantees/Applicants
Dependent-Single			
Number	2,999	2,182	73%
% of Total	85%	85%	
Self-Supporting			
Number	524	391	75%
% of Total	15%	15%	
Dependent-Married			
Number	10	8	80%
% of Total	.3%	.4%	
Total	3,523	2,581	73%

Data provided by the State Education Commission.

Figure 9

Distribution of Applicants and Grantees
by Race
1973-74 Academic School Year

Race	Applicants	Grantees	Grantees/Applicants
Black			
Number	165	134	81.2%
% of Total	4.7%	5.2%	
Chicano			
Number	61	46	75.4%
% of Total	1.7%	1.8%	
Indian			
Number	13	10	76.9%
% of Total	0.4%	0.4%	
White			
Number	3,160	2,302	72.8%
% of Total	89.7%	89.2%	
Other			
Number	48	37	77.1%
% of Total	1.4%	1.4%	
Unknown			
Number	76	52	68.4%
% of Total	2.2%	2.0%	
Total	3,523	2,581	73.3%

Data provided by the State Education Commission.

Figure 10

Distribution of Applicants and Grantees
by Sex
1973-74 Academic School Year

Sex	Applicants	Grantees	Grantees/Applicants
Male			
Number	1,686	1,232	73.1%
% of Total	47.9%	47.7%	
Female			
Number	1,837	1,349	73.4%
% of Total	52.1%	52.3%	
Total	3,523	2,581	73.3%

Data provided by the State Education Commission.

The first screening list is the "member of the Immediate Family Applied" list. This list contains the names of all applicants where two or more applicants are form the same family. The data submitted by such applicants is manually verified to insure that family financial and family size information is consistently reported by such applicants.

The "Tax Paid" list contains all applicants whose parents 1973 Tax Paid varies by more than twenty percent from the normal tax paid on their 1973 reported income. The data for such applicants is again manually checked for errors which might affect the applicant's grant elgibility. An incorrect Tax Paid figure will materially affect the determination of Family Contribution and Financial Need, especially in the dependent models. A common error, where taxes paid are disproportionately high, is that the parents' have reported taxes withheld rather than taxes paid. The State Education Commission examines the Comprehensive Financial Aid Reports for applicants on the "Tax Paid" list and determines whether the tax paid figure is reasonable in view of the applicant's parents' occupation and their family size. If the tax paid is determined to be unreasonable, the applicant is requested to correct or verify the financial data which he submitted.

The third screening list is the "Self-Supporting Student" list. This list contains those self-supporting applicants whose projected 1974 income varies by more than twenty percent from their 1973 reported income. The data for these applicants is manually computed to determine whether the income variance would have an impact on the applicant's eligibility to receive a Kansas Tuition Grant. If the variance is found to have such an impact, the data will be verified by comparing it to prior applications submitted by the applicant or by requesting the applicant to substantiate the variance.

The final screening list is the "CFAR Comment" list. This list contains all applicants whose applications fell into the following categories:

- Applicant indicated that he received Social Security Benefits but did not indicate the monthly amount; ACT assumed $100 per month.
- Applicant indicated that he received Social Security Benefits but did not indicate for how many months; ACT assumed nine months.
- Applicant indicated that he received V.A. Benefits but did not indicate the monthly amount; ACT assumed the normal monthly amount for the average recipient of such benefits with applicant's family status.
- Applicant indicated that he received V.A. Benefits but did not indicate for how many months; ACT assumed nine months.
- Applicant had subnitted a previous Family Financial Statement to ACT.
- Applicant submitted inconsistent data.
- Applicant's family size is questionable.

- Applicant is a dependent student and has reported zero Parental Income.
- Applicant's family size differs from reported exemptions.

Items appearing on the above list that are questionable and will affect the applicant's eligibility for a Kansas Tuition Grant are verified. The necessary verification is accomplished by comparison with prior applications submitted by the applicant or by direct mail contact with the applicant.

The Family Financial Statement contains a release by the applicant and his parents of their Federal and State Income Tax Returns. K.A.R. 87-1-6 provides authority for the State Education Commission to examine the returns of applicants and their parents. The State Education Commission did not examine any returns for the 1974-75 academic year, and did not make any requests for the submission of such returns.

ACT also prepares individual preliminary rosters for each eligible independent college, listing the applicants who have indicated an intention to attend that college. If a college determines from its preliminary roster that one of its applicants has submitted incorrect data or that the applicant's circumstances have changed since the submission of his application, the college will report the corrected data to the State Education Commission. The Commission, upon the receipt of corrected data from the students and the individual colleges, updates the Preliminary Roster accordingly. Corrections derived from the Commission's review of the Screening Lists are also posted to the Preliminary Roster. The corrected Preliminary Roster is then forwarded to ACT for preparation of the Final Roster.

ACT updates the corrected Preliminary Roster and compiles the Final Roster. The Final Roster, prepared in a manner similar to that described above for the Preliminary Roster, indicates the award status of each applicant: Grantee, Non-Grantee, or No Funds. The Grantee category consists of those applicants who will receive a Kansas Tuition Grant. Applicants in the Non-Grantee category will not receive a Kansas Tuition Grant because they have not exhibited the requisite financial need. The No Funds category represents those applicants who did exhibit financial need but will not receive a Kansas Tuition Grant because the legislative award appropriation was exhausted before their position on the roster was reached.

D - Distribution of Awards

The Final Roster is reviewed by the State Education Commission. When the Final Roster is deemed acceptable, the Commission sends "Award" letters and Response Cards to all grantees and "No Award" letters to all non-grantees. Those applicants exhibiting financial need but not receiving an award, due to the exhaustion of the award appropriation, are ranked on an Alternate List according to their "contribution" and are sent an "Alternate" letter.

Grantees are asked to complete the Response Card by July 15, indicating whether they intend to accept a Kansas Tuition Grant, reject it, or are uncertain. In the event that a sufficient number of grantees decline the Grant offers, Kansas Tuition Grants are offered to applicants on the Alternate List. Grantees, who do choose to accept Kansas Tuition Grants, are listed on individual college Acceptance Rosters which indicate their financial need and Grant amount. Each eligible independent college is sent a copy of their Acceptance Roster. After enrollment, the Tuition Grant Representatives certify that each grantee has enrolled for a minimum of twelve semester hours or their equivalent. The Tuition Grant Representatives also certify that each grantee is not receiving financial aid through the college in an amount that, when added to his Kansas Tuition Grant, will exceed his financial need as determined by ACT.

The certified Acceptance Rosters are returned to the State Education Commission where a Voucher is prepared for the grantees at each independent college. The Voucher is forwarded to the Accounts and Reports Division where Warrants are prepared in the name of each individual grantee. The Warrants are then mailed to the Tuition Grant Representatives by the State Education Commission for distribution to the grantees. It is to be noted that the Warrants are made payable to the individual grantees and not to their colleges. The full Tuition Grant is not distributed at the beginning of the academic year. Instead, the Grant is distributed in installments, on an academic term basis. Therefore, a grantee attending a college which operates on the "quarter system" would receive three Warrants during the course of the academic year. The practice of paying the Kansas Tuition Grants in installments requires that the above-described procedures be followed at the beginning of each academic term.

K.S.A. 72-6110 provides that, if a grantee withdraws from college before the completion of an academic term and if he is therby entitled to a refund from his college, the college shall pay the refundable amount to the State. Fifteen grantees were entitled to refunds upon their withdrawal from college during the 1973-74 academic year. The seven colleges, which they attended, remitted a total of $3,507 to the State of Kansas. Amounts paid to the State as refunds go into the State General Fund and are not made available to the State Education Commission for the award of additional Tuition Grants.

The State Education Commission requires the independent colleges to return the Warrants of grantees who became ineligible for a Kansas Tuition Grant before the Warrants were distributed to the grantees. The amounts represented by the returned Warrants remain available to fund additional Tuition Grants. During the 1973-74 academic year, thirteen colleges returned thirty-three Warrants, totalling $14,362, to the State Education Commission. Fifteen of the aforementioned Warrants, totalling $6,380, were returned by the colleges too late, in some cases after the completion of the academic school year, to enable the State Education Commission to make additional Grants. This caused no problem during the 1973-74 academic year because the legislative award appropriation was not exhausted. However, the appropriation for the 1974-75 academic year was exhausted before all applicants with financial need were given Grants. As a result, if colleges continue to unreasonably delay the return of the Warrants, the State Education Commission will be precluded from awarding Grants to applicants who might have otherwise received a Kansas Tuition Grant. In an effort to secure the cooperation of the independent colleges, the State Education Commission has advised them of the necessity to return the aformentioned Warrants on a timely basis.

CHAPTER 3 - IMPACT OF THE PROGRAM

A - Kansas Students

The primary objective of the Kansas Tuition Grant Program is to accord to Kansas students the opportunity to attend the Kansas college of their choice, regardless of the cost differentials between the various colleges. The cost of attending an independent college has traditionally exceeded that of a public college. Figure 11 illustrates the Tuition & Fees and Room & Board expenses, (hereinafter denominated "major student expenses"), incurred by a student attending one of the eighteen eligible independent colleges in Kansas. A weighted average for major student expenses was determined by applying each college's F.T.E. enrollment to its Tuition & Fees and Room & Board charges. The F.T.E. enrollment figures were obtained from the annual Board of Regents Fall Enrollment Report. The cost data contained in Figure 11 was obtained from the respective colleges' responses to a Legislative Division of Post Audit Questionnaire. The Questionnaire is included in this report as Appendix A.

Figure 12 portrays the same major student expenses at the six colleges and universities under the control of the Board of Regents. The weighted averages were computed in the manner detailed above. Both the F.T.E. enrollment figures and the cost data contained in Figure 12 were obtained from the Board of Regents.

The major student expenses at the eligible independent colleges have increased from an average of $1,942 during the 1969-70 academic year to $2,408 during the 1973-74 academic year, an increase of twenty-four percent (Figure 11). In the same interval, the major student expenses at the six Board of Regents' institutions have increased from $1,073 to $1,427 or thirty-three percent (Figure 12). In spite of the lower percentage increase in major student expenses at the independent colleges, the absolute dollar variance between the independent colleges and the Regents' institutions has increased. Major student expenses at the eligible independent colleges exceeded those at the Board of Regents' institutions by an average of $869 during the 1969-70 academic year and by an average of $981 during the 1973-74 academic year. The latter $981 differential closely approximates the statutory maximum Grant amount of $1,000. Therefore, the Kansas Tuition Grant Program does afford the Kansas student, who is financially able to attend only a Regents' institution, the opportunity to attend an eligible independent college.

The maximum Tuition Grant amount does not exceed the appropriation necessary to support a student attending one of the six Board of Regents' institutions. Figure 13 indicates that the Fiscal Year 1974 General Fund Appropriation per F.T.E. student at the six Regents' institutions was $1,073 for Educational Program and $176 for Physical Plant. Therefore, it is less costly for the State to award a $1,000 Tuition

Figure 11

Kansas Independent Colleges
Tuition & Fees - Room & Board
Academic Years 1969-70, 1973-74

College	1969-70 Academic Year: F.T.E. Enrollment	Tuition and Fees	Room and Board	Total Tuition & Fees Room & Board	1973-74 Academic Year /1: F.T.E. Enrollment	Tuition and Fees	Room and Board	Total Tuition & Fees Room & Board
Baker University	955	$ 1,092	$ 900	$ 1,992	823	$ 1,492	$ 950	$ 2,442
Benedictine College		Information Not Available			1,063	1,680	975	2,655
Bethany College	734	1,135	795	1,930	767	1,451	970	2,421
Bethel College	534	1,230	748	1,978	533	1,570	895	2,465
Friends University	951	1,056	885	1,941	802	1,335	1,072	2,407
Kansas Newman College	669	840	850	1,690	479	1,300	890	2,190
Kansas Wesleyan University	725	1,400	850	2,250	497	1,785	975	2,760
Marymount College	610	990	910	1,900	608	1,400	1,050	2,450
McPherson College		Information Not Available			467	1,510	940	2,450
Ottawa University	1,054	1,390	740	2,130	642	2,100	940	3,040
St. Mary College	547	800	750	1,550	451	1,050	850	1,900
St. Mary-Plains College	663	1,416	900	2,316	400	1,416	948	2,400
Southwestern College	660	1,360	720	2,080	668	1,565	888	2,453
Sterling College	554	1,100	780	1,880	486	1,450	940	2,390
Tabor College	440	1,000	776	1,776	527	1,500	904	2,404
Donnelly College		Information Not Available			333	576	837 /2	1,413
Hesston College	370	880	676	1,556	485	1,272	959	2,231
St. John's College	312	750	660	1,410	318	924	800	1,724
Total F.T.E. Enrollment	9,778				10,349			
Weighted Average Per F.T.E. Student		$ 1,132	$ 810	$ 1,942		$ 1,462	$ 946	$ 2,408
Percent Increase from 1969-70 to 1973-74						29%	15%	24%

/1 Tuition and Fees and Room and Board figures were not available for the 1969-70 Academic Year for Benedictine College, McPherson College and Donnelly College.
/2 Donnelly College does not maintain housing facilities. The $837 figure was obtained from the State Education Commission.

Figure 12

Kansas Public Colleges and Universities
Tuition & Fees - Room and Board
Academic Years 1969-70, 1973-74

College or University	1969-70 Academic Year F.T.E. Enrollment	1969-70 Tuition and Fees	1969-70 Room and Board	1969-70 Total Tuition & Fees, Room & Board	1973-74 Academic Year F.T.E. Enrollment	1973-74 Tuition and Fees	1973-74 Room and Board	1973-74 Total Tuition & Fees, Room & Board
University of Kansas	17,813	$ 342	$ 800	$ 1,142	18,241	$ 544	$ 950	$ 1,494
Kansas State University	12,943	328	775	1,103	15,157	526	932	1,458
Wichita State University	9,195	317	800	1,117	10,088	536	950	1,486
Emporia State College	6,701	240	580	820	5,525	394	700	1,094
Pittsburg State College	5,662	242	820	1,062	4,503	390	1,020	1,410
Fort Hays State College	5,181	243	780	1,023	4,764	474	880	1,354
Total F.T.E. Enrollment	57,495				58,278			
Weighted Average per F.T.E. Student		$ 304	$ 769	$ 1,073		$ 506	$ 921	$ 1,427
Percent Increase from 1969-70 to 1973-74						66%	20%	33%

NOTE: Tuition and Fees amounts are those charged to Kansas residents.

Figure 13

Kansas Public Colleges and Universities
State General Revenue Fund Appropriations /1
Fiscal Years 1970 and 1974

College or University	Fiscal Year 1970 F.T.E. Enrollment	Fiscal Year 1970 Educational Program	Fiscal Year 1970 Physical Plant	Fiscal Year 1970 Total Educational Program Physical Plant	Fiscal Year 1974 F.T.E. Enrollment	Fiscal Year 1974 Educational Program	Fiscal Year 1974 Physical Plant	Fiscal Year 1974 Total Educational Program Physical Plant
University of Kansas	17,813	$16,088,847	$ 2,873,380	$18,962,227	18,241	$19,197,372	$ 3,918,023	$23,115,395
Kansas State University	12,943	12,906,124	1,542,024	14,448,148	15,157	15,598,634	2,532,218	18,130,852
Wichita State University	9,195	7,984,133	797,267	8,781,400	10,088	10,230,421	1,245,178	11,475,599
Emporia State College	6,701	5,659,804	507,265	6,167,069	5,525	6,508,825	915,105	7,423,930
Pittsburg State College	5,662	4,763,394	705,140	5,468,534	4,503	6,587,244	924,500	7,511,744
Fort Hays State College	5,181	3,717,651	464,350	4,182,001	4,764	4,434,905	706,597	5,141,502
Total	57,495	$51,119,953	$ 6,889,426	$58,009,379	58,278	$62,557,401	$10,241,621	$72,799,022
Weighted Average per F.T.E. Student		$ 889	$ 120	$ 1,009		$ 1,073	$ 176	$ 1,249
Percent Increase from Fiscal Year 1970 to Fiscal Year 1974						21%	47%	24%

/1 State General Revenue Fund Appropriations for Educational Program and Physical Plant do not include amounts for organized research, extension and auxiliary enterprises, and capital improvements.

NOTE: Fiscal Year 1970 and 1974 are depicted because they correspond with Academic Years 1969-70 and 1973-74.

Grant to a student attending a private college than to have that same student attending a Regents' institution.

The responses to a Grantee Questionnaire distributed by the State Education Commission yield a further indication of the Program's impact on Kansas students. The most recent Grantee Questionnaire was returned by 1,821 of the 1973-74 academic year grantees. The Program's impact can best be analyzed by examining the grantee responses to the following question: "Would you have enrolled at the college you are attending if you had not received a tuition grant?" The largest percentage of the responding grantees, 655 or thirty-six percent, indicated that the receipt of a Tuition Grant had no affect on their college choice. However, 588 grantees, or thirty-two percent, indicated that their receipt of a Kansas Tuition Grant did have an impact on their choice of college. Forty-two percent of these grantees stated that they would not have enrolled at any college without a grant, while fifty-five percent indicated that they would have attended a public-supported Kansas college if they had not received a Kansas Tuition Grant. The remaining 578 responding grantees were uncertain whether or not their receipt of a Kansas Tuition Grant affected their college choice. In summary, the State Education Commission Grantee Questionnaire indicates that the Kansas Tuition Grant Program (1) did not have an impact on the college choice of thirty-six percent of the grantees; (2) did offer thirty-two percent of the grantees financial freedom to attend the Kansas college of their choice; and (3) had an uncertain impact on the college choices of the remaining thirty-two percent of the responding grantees.

B - Kansas Independent Colleges

The second objective of the Kansas Tuition Grant Program is to indirectly give financial aid to the independent colleges of Kansas in order that they might remain viable educational institutions. The very nature of this second objective precludes precise measurement of the Program's performance in respect to the objective. The seventeen independent colleges, that responded to the Legislative Division of Post Audit Questionnaire, indicated that the Kansas Tuition Grant Program was of value to their college. However, no measurement of this value was offered by the colleges.

Figure 14 compares the undergraduate enrollments at all Kansas colleges and universities, beginning with the 1968-69 academic year and ending with the 1973-74 academic year. The figures are further categorized into Resident and Non-Resident students because the Tuition Grant Program is limited to Kansas residents. The enrollment figures for the independent colleges exclude Mid-America Nazarene and Central College as they are ineligible to participate in the Program. The resident enrollments at the participating colleges declined 5.8 percent, 2.1 percent, and 4.2 percent respectively in the three academic years preceding the implementation of the Kansas Tuition Grant Program. During the same interval, resident enrollments at the public-supported colleges and universities increased 10.1 percent, 4.0 percent, and 4.1 percent.

Figure 14

Undergraduate Enrollments
Kansas Colleges and Universities
Academic Years 1968-69 through 1973-74

	1968-69	1969-70		1970-71		1971-72		1972-73		1973-74	
	Enrollment	Enrollment	Percent Change from Previous Year	Enrollment	Percent Change from Previous Year	Enrollment	Percent Change from Previous Year	Enrollment	Percent Change from Previous Year	Enrollment	Percent Change from Previous Year
Independent 4-Year Colleges											
Resident	6,214	5,916	- 4.8%	5,768	- 2.5%	5,564	- 3.5%	5,739	+ 3.1%	5,892	+ 2.7%
Non-Resident	6,033	6,265	+ 3.8%	5,483	-12.5%	5,054	- 7.8%	4,368	-13.6%	3,971	- 9.1%
Independent 2-Year Colleges											
Resident	976	855	-12.4%	859	+ .5%	782	- 9.0%	708	- 9.5%	632	-10.7%
Non-Resident	728	676	- 7.1%	603	-10.8%	583	- 3.3%	605	+ 3.8%	580	- 4.1%
Total Independent Colleges											
Resident	7,190	6,771	- 5.8%	6,627	- 2.1%	6,346	- 4.2%	6,447	+ 1.6%	6,524	+ 1.2%
Non-Resident	6,761	6,941	+ 2.7%	6,086	-12.3%	5,637	- 7.4%	4,973	-11.8%	4,551	- 8.5%
Total	13,951	13,712	- 1.7%	12,713	- 7.3%	11,983	- 5.7%	11,420	- 4.7%	11,075	- 3.0%
Public 4-Year Colleges & Universities											
Resident	41,074	42,704	+ 4.0%	43,107	+ 0.9%	43,756	+ 1.5%	43,157	- 1.4%	41,549	- 3.7%
Non-Resident	7,495	7,584	+ 1.2%	7,191	- 5.2%	7,207	+ 2.9%	6,614	- 8.2%	6,347	- 4.0%
Public 2-Year College											
Resident	11,094	14,754	+33.0%	16,649	+12.8%	18,454	+10.8%	18,956	+ 2.7%	20,484	+ 8.1%
Non-Resident	452	463	+ 2.4%	491	+ 6.0%	402	-18.1%	577	+43.5%	650	+12.6%
Total Public Colleges											
Resident	52,168	57,458	+10.1%	59,756	+ 4.0%	62,210	+ 4.1%	62,113	- 0.2%	62,033	- 0.1%
Non-Resident	7,947	8,047	+ 1.2%	7,682	- 4.5%	7,609	- 0.9%	7,191	- 5.5%	6,997	- 2.7%
Total	60,115	65,505	+ 9.0%	67,438	+ 3.0%	69,819	+ 3.5%	69,304	- 0.7%	69,030	- 0.4%

NOTE: Headcount Enrollments are reported because F.T.E. Enrollments were not broken down into Resident and Non-Resident categories. All figures were obtained from Kansas Board of Regents Fall Enrollment Reports.

Resident enrollments at the participating independent colleges increased 1.6 percent during the Program's first year of operation, academic year 1972-73, and 1.2 percent during its second year. For the same two years resident enrollments at the public colleges decreased 0.2 percent and 0.1 percent respectively. The increase in resident enrollment at the independent colleges, in the face of declining resident enrollment at the public colleges, can, in part, be attributed to the Kansas Tuition Grant Program. This increase in resident enrollments at the independent colleges indicates that the Program, by enabling additional Kansas residents to attend these colleges, is indirectly aiding the independent colleges by increasing their Tuition & Fees receipts. It is to be noted that several other factors have also contributed to the increase in resident enrollments at the independent colleges, including the increased efforts by several of the colleges to recruit Kansas students.

In addition to the increase in resident enrollment, noted in Figure 14, the participating colleges, in response to a State Education Commission Questionnaire, indicated that the Kansas Tuition Grant Program enabled 961 Kansas students to attend their colleges during the 1973-74 academic year. The responses indicated that 459 old students were able to continue their attendance with the assistance of a Kansas Tuition Grant, while an additional 502 new students were able to begin their attendance at an independent college with the assistance of a Kansas Tuition Grant.

Figure 2 reveals that a significant percentage of the students, attending the eligible independent colleges, received a Kansas Tuition Grant for the 1973-74 academic year. Column 10 of Figure 2 indicates that the overall percentage of grantees as compared to headcount enrollment is just under twenty-five percent and varies from 4.7 percent at Donnelly College to 44.4 percent at St. Mary of the Plains College. Column 12 of Figure 2 further indicates that just under fifty percent, (49.6%), of the Kansas residents, attending the participating independent colleges, received a Kansas Tuition Grant for the 1973-74 academic year. At five of the participating colleges - Bethel College, McPherson College, Marymount College, St. Mary of the Plains College, and Sterling College - over sixty percent of the Kansas students received a Kansas Tuition Grants.

Figure 15 compares the total Tuition Grants received by students at each college to that college's estimated Student Financial Aid and Total operating Expenditures. The Student Financial Aid and Total Operating Expenditures were obtained from the independent colleges through their responses to the Legislative Division of Post Audit Questionnaire. Students at the fifteen colleges, responding to this portion of the Questionnaire, received Kansas Tuition Grants totalling $2,137,634. This amount was seventy-one percent of the fifteen colleges' estimated Student Financial Aid for Fiscal Year 1974 of $3,010,126. The percentage varied significantly between the colleges. Kansas Tuition Grants received by students at St. Mary College totaled. twenty-six percent of the college's Student Financial Aid, while at St. Mary of the Plains College the percentage was 216 percent. The

Figure 15

Kansas Independent Colleges
Kansas Tuition Grants, Student Financial Aid, Operating Expenditures
Fiscal Year 1974 - Academic Year 1973-74

College	Kansas Tuition Grants	Student (1 Financial Aid	Kansas Tuition Grants as a % of Student Financial Aid	Total (2 Operating Expenditures	Kansas Tuition Grants as a % of Total Oper. Expenditures
Baker University	$ 121,588	$ 161,387	75%	$ 2,403,055	5%
Benedictine College	144,759	240,761	60%	3,733,703	4%
Bethany College	209,158	194,818	107%	2,354,037	9%
Bethel College	178,434	221,776	80%	1,980,562	9%
Friends University	240,502	506,326	48%	2,342,613	10%
Kansas Newman College	153,892	109,000	141%	1,422,000	11%
Kansas Wesleyan College	122,975	193,246	64%	1,801,885	9%
Marymount College	208,549	99,395	210%	1,801,386	12%
Ottawa University	124,297	447,334	28%	2,937,388	4%
St. John's College	31,162	55,748	56%	910,958	3%
St. Mary College	40,600	154,399	26%	1,697,194	2%
St. Mary-Plains College	144,115	67,011	215%	1,269,439	11%
Southwestern College	161,537	235,904	68%	1,395,283	8%
Sterling College	129,375	162,432	80%	1,937,958	7%
Tabor College	126,200	160,589	79%	1,608,567	8%
	$ 2,137,634	$ 3,010,126	71%	$30,096,028	7%

(1 Student Financial Aid does not include Kansas Tuition Grants but does include all other financial aid distributed by the colleges.

2 Total Operating Expenditures is composed of Educational and General Expenditures, Student Financial Aid Expenditures, Major Service Program Expenditures, and Auxiliary Enterprises Expenditures.

Note: The figures for Student Financial Aid and Total Operating Expenditures are estimates only, obtained from the individual colleges. No figures were reported by McPherson College, Donnelly College, and Hesston College.

Kansas Tuition Grants, received by students attending all fifteen responding colleges, amounted to seven percent of the same colleges' estimated Total Operating Expenditures of $30,096,028 for Fiscal Year 1974. This percentage again varied between the colleges, ranging from two percent at St. Mary College to twelve percent at Marymount College.

APPENDIX A

LEGISLATIVE DIVISION OF POST AUDIT QUESTIONNAIRE

Legislative Division of Post Audit

STATE CAPITOL
TOPEKA, KANSAS 66612

August 5, 1974

Dear Sir:

At the direction of the Legislative Post Audit Committee we are conducting a program audit of the Kansas Tuition Grant Program. The purpose of this program audit is to evaluate the effectiveness of the Kansas Tuition Grant Program with regard to the accomplishment of its objectives.

Under the guidance of K.S.A. 72-6111(f) we request you complete the enclosed questionnaire. Your cooperation in returning the questionnaire will enable us to properly assess the impact of the Kansas Tuition Grant Program. Please feel free to make any additional comments.

An additional copy of the questionnaire is enclosed to serve as your work copy. You may retain this copy. A sample, completed questionnaire is also enclosed to aid you in completing the questionnaire.

Your reply, if possible, by August 19 will be appreciated. A return envelope is enclosed for your convenience. Thank you for your assistance.

Sincerely yours,

W. KEITH WELTMER
Post Auditor

WKW:mkz
Enclosures (3)

LEGISLATIVE DIVISION OF POST AUDIT
MILLS BUILDING
TOPEKA, KANSAS 66612

KANSAS TUITION GRANT PROGRAM QUESTIONNAIRE

For the purposes of this questionnaire the following two terms are defined as follows:

Académic School Year - the normal, 9-month school year, beginning in August/September and concluding in May/June. This does not include the summer term.

Fiscal Year - the 12-month year utilized by your college for accounting purposes.

1. How many students attended your college in academic school year 1973-74 with the assistance of the GI Bill?______ Operation Bootstrap?_______

2. How many students contracted for food services only during the 1973-74 academic school year?______ What was the cost of such a contract? $______

3. In the Table below please list the amount of any operating deficits incurred by your college during the following fiscal years.

1968-69	$____________
1969-70	$____________
1970-71	$____________
1971-72	$____________
1972-73	$____________
1973-74	$____________

4. How were these deficits financed?

5. How many of your Kansas Tuition Grant recipients did not complete the term for which the grant was given in the 1972-73 academic school year?_________ The 1973-74 academic school year?________

6. How many students received Kansas Tuition Grant Warrants (checks) and subsequently withdrew from your college leaving unpaid college bills in the 1972-73 academic school year?______ The 1973-74 academic school year?______

7. What is your procedure for distributing Kansas Tuition Grant Warrants (checks) to the Grantees at your college?

8. What controls do you have to insure that the students are enrolled before they are given the Kansas Tuition Grant Warrants (checks)?

9. How many of your students declined to accept or failed to pick up their Kansas Tuition Grant Warrants? 1972-73 academic school year________ 1973-74 academic school year________

10. What is your refund policy for students withdrawing from your institution before completing an academic term?

11. Were any Kansas Tuition Grant recipients entitled to refunds when they withdrew from your school? If yes, state number of students and amount of refund in the following table.

Academic School Year	Number of Students	Amount of Refund
(1972-73)		$
(1973-74)		$

12. What is your policy on academic probation?

13. Were any of your colleges' Kansas Tuition Grant recipients on academic probation during the grant period? 1972-73 academic school year______ 1973-74 academic school year ______

14. Has the Kansas Tuition Grant Program led to an increase in the enrollment at your college? Yes_____ No_____

15. What is your assessment of the American College Testing (ACT) Program Needs Analysis utilized by the Kansas Tuition Grant Program?

16. What type of promotion is done by your college with regard to Kansas Tuition Grant Program?

17. Please describe your colleges' student recruiting policies?

18. Please list any comments you may have relative to the performance of the State Education Commission in administering the Kansas Tuition Grant Program.

19. Please list any comments you may have relative to the policies of the State Education Commission as they effect the Kansas Tuition Grant Program.

20. Please list the beginning date of your Fiscal Year. ____________________

LEGISLATIVE DIVISION OF POST AUDIT
MILLS BUILDING
TOPEKA, KANSAS 66612

21. Please supply the requested information for your Fiscal Year 1974. The format below is similar to the Fiscal Year 1973 HEGIS Report and, for your convenience, the appropriated HEGIS Report "line citation" appears in parentheses' after each item.

Please indicate whether actual audited or non-audited figures are reported.
Actual Audited ________ Non-audited ________

PART A - REVENUES

Student Tuition and Fees	(2)		$____	
Endowment Income	(9)		____	
Contributed Services	(10)	$____		
Other Private Gifts	(10)	____		
Total Private Gifts	(10)		____	
Total Education & General Revenues	(1)			$____
Other Sponsored Programs	(19)			____
Student Aid Scholarships & Grants-Federal	(33)		$____	
Student Aid Scholarships & Grants-State	(34)		____	
Student Aid Scholarships & Grants-Local	(35)		____	
Student Aid Scholarships & Grants-Private	(36)		____	
Student Aid Scholarships & Grants-Endowment Income	(37)		____	
Student Aid Scholarships & Grants-Other	(38)		____	
Total Student Aid Scholarships & Grants	(32)			____
Major Service Programs	(39)			____
Housing and Food Services	(46)		$____	
Athletic Programs	--		____	
Other Auxiliary Enterprises	(47)		____	
Total Auxiliary Enterprises	(45)			____
Grand Total Revenues	(48)			$____

PART B - EXPENDITURES

Total Educational and General Expenditures	(1)		$____
Student Aid Scholarships & Grants	(11)		____
Major Service Programs	(12)		____
Housing & Food Services	(16)	$____	
Athletic Programs	--	____	
Other Auxiliary Enterprises	(17)	____	
Total Auxiliary Enterprises	(15)		____
Grand Total Expenditures	(18)		$____

22. Under the appropriate "Type of Academic Calendar Year," utilized at your college, please indicate (A) the "Tuition and Fees" paid by a Full Time Equivalent (FTE) student for each academic term and (B) the number of hours constituting Full Time Equivalency (FTE) for each academic term.

TYPE OF ACADEMIC CALENDAR YEAR

SCHOOL YEAR		SEMESTERS		QUARTERS			INNER TERM			OTHER
		1st Semester	2nd Semester	1st Quarter	2nd Quarter	3rd Quarter	1st Term	Inner Term	2nd Term	(Please Specify)
1968-69	A-Tuition & Fees									
	B-FTE in Hours									
1969-70	A-Tuition & Fees									
	B-FTE in Hours									
1970-71	A-Tuition & Fees									
	B-FTE in Hours									
1971-72	A-Tuition & Fees									
	B-FTE in Hours									
1972-73	A-Tuition & Fees									
	B-FTE in Hours									
1973-74	A-Tuition & Fees									
	B-FTE in Hours									
1974-75 Estimated	A-Tuition & Fees									
	B-FTE in Hours									

23. Under the appropriate "Type of Academic Calendar Year," utilized at your college, please indicate (A) the Room and Board (Cost to student for a Dormitory Contract) charges for each academic term and (B) the number of students holding Dormitory Contracts during each academic term.

TYPE OF ACADEMIC CALENDAR YEAR

SCHOOL YEAR		SEMESTERS		QUARTERS			INNER TERM			OTHER
		1st Semester	2nd Semester	1st Quarter	2nd Quarter	3rd Quarter	1st Term	Inner Term	2nd Term	(Please Specify)
1968-69	A-Room & Board									
	B-No. of Students									
1969-70	A-Room & Board									
	B-No. of Students									
1970-71	A-Room & Board									
	B-No. of Students									
1971-72	A-Room & Board									
	B-No. of Students									
1972-73	A-Room & Board									
	B-No. of Students									
1973-74	A-Room & Board									
	B-No. of Students									
1974-75 Estimated	A-Room & Board									
	B-No. of Students									

APPENDIX B

AGENCY COMMENTS

The State Education Commission commends the Legislative Division of Post-Audit on its excellent program audit of the Kansas Tuition Grant program. Financial aid programs tend to be complex, and it would have been easy for an observer to have become emersed in minutia. Instead, the Legislative Division of Post-Audit emphasized the essential aspects of the program and produced a balanced report.

The Commission is particularly pleased with the report because of its involvement in it. The Legislative Division of Post-Audit worked with the agency in the preparation of the report. The agency never had the feeling that it was under investigation; it had the feeling that it was involved in a project to objectively describe and evaluate what it is doing. The agency provided the Legislative Division of Post-Audit with much of the data used in the report. These data were collected for the annual reports on the tuition grant program required by statute. The second annual report has been completed but the Legislative Division of Post-Audit was not aware of its final completion (Conclusion 1 of the report).

The only difficulty with the report is the lack of national perspective. Financial assistance to students is the primary manner in which the national government and some state governments distribute funds to higher education, and the federal programs historically have been administered on campuses. Under the campus-based programs, the federal funds are distributed to institutions which grant the funds to students in line with federal regulations. These regulations require that no student can receive assistance in excess of his financial need.

The financial needs analysis agencies, such as ACT, objectively determine this need. The financial aid administrator at the campus can adjust this need figure on the basis of personal knowledge.

There are three characteristics of this system which shed light upon the report of the Legislative Division of Post Audit. First, the institutions were the principal customers of the needs analysis agencies, and the forms and procedures were designed to meet institutional needs. Second, the procedures had to correspond to federal regulations which could change annually. Third, the colleges wanted to maintain flexibility to adjust the financial need figure for individual students.

The State Education Commission, as a state agency, has objectives which sometimes run counter to the normal needs analysis procedures. The objectives of the agency are to evaluate all applicants as objectively and equitably as possible and to avoid entanglement and interference with the colleges. Specifically, the agency wanted to avoid having the institutions become involved in the awarding process.

These differences help explain some of the anomalies described in the report. These items will be discussed individually.

Self-Supporting Student Definition (Conclusion 3)

The federal government for the 1974-75 academic year changed the definition of "self-supporting" student from a $200 limit on parental assistance to a $600 limit. Because all forms are designed to correspond with federal requirements, the state agency had to go along with the change despite its published regulation in Kansas Administrative

Regulations. Obviously, the regulation should not include a dollar figure but should be tied directly to the federal definition.

Ignoring of Dependent Student Assets (Conclusion 4)

In practice, the colleges determine dependent student resources. "Summer savings" is a set figure for all students. The college provides this figure to ACT. To it are added student veteran's benefits and social security benefits and the student's self-reported personal assets. The college adjusts "summer savings" to fit individual circumstances. Assets also usually are adjusted. Students provide poor asset data because of confusion between their assets and parental assets and because of uncertainty in knowing what is to be reported as assets.

The State Education Commission moved to resolve this problem by setting the statutorily required $450 as a set figure for assets and "summer savings" together. This decision was made for three reasons: (a) the data collected for assets were inconsistent; (b) student "summer savings" usually were less than $450; and (c) the inclusion of self-reported assets discriminated against students who had saved money to attend college.

The State Education Commission decision in this matter was consistent with its basic administrative philosophy of objective evaluation of financial resources and non-interference with the colleges. To use asset data necessitates using the institutions to police the information provided by their students. The State Education Commission chose not to do this, realizing that some students who had large personal assets would benefit. Of course, there are very few such students.

Deductions and Housekeeping Allowances (Conclusion 5)

The financial needs analysis agencies have developed different philosophies to determine the need of dependent and "self-supporting" students. The parents of dependent children are expected to have numerous responsibilities besides sending their children to college; therefore, only a portion of their available income is expected to be used for this purpose. "Self-supporting" students, on the other hand, are expected to use all of their available income for schooling. It is for this reason that a "Deductions Allowance" and a "Housekeeping Allowance" are not used as offsets against income in the "self-supporting" student analysis.

There are two other factors which enter into this decision. First, the vast majority of "self-supporting" students are of traditional college age and have no unusual circumstances which would make a deductions or housekeeping allowance meaningful. Second, the colleges possess the flexibility to make adjustments for unusual circumstances. It should be noted that, until the 1974-75 academic year processing, the ACT analysis for "self-supporting" students was not an analysis. The colleges determined the need of these students through the development of individual budgets which included the costs of education and subtracted exceptional expenses. The State Education Commission was a strong supporter of this change in ACT's "self-supporting student analysis.

Rostering System (Conclusion 6)

There is no equitable way to compare dependent and "self-supporting" students. Because of the different philosophies involved in determining the resources available for education for dependent and "self-supporting" students, comparing the two groups together would be tantamount to the proverbial comparison of apples and oranges. One possible solution would involve determining the financial need of all students and ranking them correspondingly. This is repugnant to the agency because comparisons on the basis of need necessitate the inclusion of college cost figures, giving a benefit to those students attending higher cost institutions. Another solution, equally bad, would compare all students on the basis of contribution. This is unsatisfactory because the systems for computing parental and "self-supporting" student contributions are entirely different. The State Education Commission has evaluated its rostering system and is convinced that it is using the best of many imperfect alternatives.

To reiterate, the State Education Commission believes that the report of the Legislative Division of Post-Audit is excellent and will consider its recommendations closely. The agency has pursued a policy of continuous evaluation of its financial aid programs as to procedures and impact on student choice. This report will be of great assistance to the State Education Commission in this endeavor.

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