

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANSThe meeting was called to order by Senator Paul Hess at
Chairperson9:00 a.m./p.m. on April 5, 1983, 19__ in room 123-S of the Capitol.

All members were present except:

Committee staff present:

Research Department: Marlin Rein, Sherry Brown, Mary Galligan, David Monical
Revisor's Office: Norman Furse
Committee Office: Mark Skinner, Doris Fager

Conferees appearing before the committee:

National Direct Student Loan Funds (NDSL)

Senator Werts reminded the committee that the Secretary of Administration has prepared a proposed settlement with the United States Department of Education. (See attachments for March 31, 5:00 p.m. meeting) The proposed agreement is to repay a total sum of \$373,886 in four annual payments, the first payment to be in FY 1984.

The second part of the proposal is that, in the future, the state pay to the member institutions the interest on funds on deposit, remitting monthly and allowing earnings at the repurchase agreement rate on the additional funds. This would then be administered by the Board of Regents. Senator Werts concluded by stating that these proposals are the subcommittee's recommendations.

When asked if Secretary Hurley had communicated with the House about this matter, Senator Werts said he had tried, but was having difficulty; and that he had requested the Senate go ahead and introduce a bill which would carry out the provisions of the proposal and hope the House will concur.

Motion was made by Senator Werts and seconded by Senator Hein to introduce a bill which would incorporate the two recommendations above. The appropriation of \$91,000 would be in the Omnibus bill from the State General Fund; and the interest would flow to institutions on a pro-rata basis. Senator Werts' motion included a request that the bill be referred to Committee of the Whole. The motion carried by roll call vote.

Senator Werts explained the above proposal further by stating the agreement with the U.S. Department of Education has not been consummated, but the committee's action assumes it will be. The three future payments will include interest. The Federal Government was supposed to audit these funds annually, but did not notify the state of the problem until last year. Funds would have been given to Regents institutions in the past if we had known^{the} Federal Government's position in the matter. The payment of the past due interest is being done by the State of Kansas to show good faith.

SB 435 - Employment and Training Program for Students at Certain Public Universities

Motion was made by Senator Harder and seconded by Senator Steineger to amend SB 435 to include accredited four-year private institutions after the first year (First year, only public institutions; second year and thereafter all accredited four year institutions).

There was an extended discussion concerning the feasibility of including private institutions in the work-study program. Senator Hess reminded the committee that the Governor recommended a work-study program, but did not ask for introduction of a bill. He had suggested the money would

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be available for universities to spend, but they could have the additional flexibility of spending it with the private employer match. SB 435 expands the concept, according to Senator Hess, because the Governor simply wanted the program to be used by the Regent's institutions.

Mr. Rein noted that another alternative would be to make students' salaries a separate line item in the appropriations bill; and to attach provisos to each separate Regent's institution to authorize them to enter into cost-shared work opportunities off campus with private employers. In this way, the institutions would have all the funds available to make them stretch as far as possible. According to Mr. Rein, there are dollar amounts for student salaries in each institution; and when institutions were told to cut their budgets by four percent, the students took a good chunk of the cut. A separate line item would protect that fund and help institutions to use salary dollars for off-campus employment.

When asked by Senator Hess where the dollars would be if SB 435 were enacted, Mr. Rein said he presumed they would be in the Regents office and would be allocated in proportion to enrollment. The Governor's recommendation for the work-study program was \$750,000. The \$6 million in student salaries is already in the budget. There was discussion concerning this proposal, and it was noted that the amount had been reduced from \$750,000 to \$562,000.

A substitute motion was made by Senator Talkington and seconded by Senator Gaines to report SB 435 adversely. Senator Hein opposed the motion, stating that tuition at Washburn is twice as much as at state institutions, and the students need all the help they can get from any source available. Senator Talkington said he is only being realistic, since there is no money in the State Treasury for additional programs. The motion to report the bill adversely carried by roll call vote.

HB 2497 - Corporation Commission assessments to be made quarterly

Motion was made by Senator Werts and seconded by Senator Harder to strike Section 2 of HB 2497 and conceptually amend other parts of the bill as needed. (The result of this motion would be to spread costs of certain KCC activities over all of a certain class of utility instead of to a particular utility). Following a brief discussion, the motion carried by voice vote.

Motion was made by Senator Gaines and seconded by Senator Harder to report HB 2497 as amended favorably for passage. The motion carried by roll call vote.

The meeting was adjourned by the Chairman.