

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS

The meeting was called to order by Senator August "Gus" Bogina at
Chairperson

11:00 a.m./p.m. on February 27, 1985 in room 123-S of the Capitol.

All members were present except:
Senator Feleciano

Committee staff present:

Research Department: Ed Ahrens, Mary Galligan, Alan Conroy
Revisor's Office: Norman Furse
Committee Office: Doris Fager, Judy Bromich

Conferees appearing before the committee:

Senator Joseph "Joe" Norvell
Stan Koplik, Executive Secretary, State Board of Regents
Bill Kauffman, Attorney, State Board of Regents
Marshall Crowther, Executive Secretary, Kansas Public Employees Retirement System

INTRODUCTION OF BILLS

Senator Bogina explained that the Board of Regents had requested introduction of the following measures: (1) a bill providing that the Board could write one check to each university for all students receiving tuition grants, instead of writing a check for each student receiving such grants; (2) a bill providing for operating student housing following final payment on bonds issued for that purpose (this is specifically requested by the University of Kansas); and (3) a bill providing a bonding mechanism for the coliseum at Kansas State University.

Motion was made by Senator Doyen and seconded by Senator Winter to introduce the three bills requested by the Board of Regents. The motion carried by voice vote.

SB 143 - Reduction of tuition of spouse and children of faculty members employed by state educational institutions

Senator Norvell distributed his written testimony (Attachment A) and read from that statement. Following his testimony, Senator Norvell said it is his understanding that the bill would need to be amended to apply to all employees at Regents' institutions in order to comply with the Federal tax code. If a fringe benefit is to be provided, it must be provided for all employees; if not, the benefit becomes taxable, according to information given Senator Norvell.

Senator Bogina noted he had a fiscal note indicating the cost to the state would be approximately \$400,000 if the bill applied to faculty only. Senator Norvell said the figure would depend upon the number of people taking advantage of the provisions of the bill.

When asked by the Chairman of the committee to comment on the bill, Mr. Koplik said the Regents have no position on its contents.

SB 159 - Purchase of retirement annuities for certain KPERS school employees

Mr. Kauffman explained SB 159 to the committee, noting that currently there are five individuals in the system who became disabled at the age of 60 or thereafter; and they are subject to the five-year maximum rule. He added that there would be a fiscal impact of \$15,000 per year at this point.

Mr. Crowther said the measure would have no impact on KPERS; and would be consistent with other laws now in effect.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS,

room 123-S, Statehouse, at 11:00 a.m./p.m./on February 27, 1985.

SB 159 - Continued

Motion was made by Senator Winter and seconded by Senator Johnston to report SB 159 favorably for passage. The motion carried by roll call vote.

SB 160 - Reduced-service program for faculty members of educational institutions under state board of regents

Mr. Kauffman explained that the Board of Regents had requested a bill last year to authorize implementation of a program wherein faculty members could accept a part time appointment at Regents' institutions and get benefits the same as full time employees. After enactment of that legislation, the question was raised about the method of calculation of these benefits. The provisions of SB 160 would clarify that point, stating that the benefits would be calculated on a full time basis.

A proposed amendment was distributed to committee members by Mr. Kauffman (Attachment B). He suggested that the implementation of SB 160 could be funded from salary savings by employing only part time faculty for certain positions.

Mr. Crowther said he and Mr. Kauffman agree concerning the language of SB 160. He indicated, however, that there is no provision that the employer contribution for the life and long-term disability protection would be based on full time equivalency. Under current law, it would be figured only on the actual hours spent in the classroom. He suggested that if a person changed from a salary of \$40,000 to \$20,000, for instance, the difference in contributions would be \$120 a year.

Mr. Crowther continued by stating that there is an important principle involved, in that the Legislature uses an annualized salary rather than actual salary in contributions by both employer and employee. He said he felt that the same provision would be logical for SB 160. Mr. Crowther suggested that the bill be amended to provide the same treatment for faculty at Regents' institutions. Mr. Kauffman said he had no problem with addition of that amendment.

Motion was made by Senator Winter and seconded by Senator Johnston to amend SB 160 as set out in Attachment B and as suggested by Mr. Crowther above. The motion carried by voice vote.

Motion was made by Senator Winter and seconded by Senator Johnston to report SB 160 as amended favorably for passage. The motion carried by roll call vote.

STAFF BRIEFING ON SYSTEMWIDE ISSUES, STATE BOARD OF REGENTS

Ms. Galligan continued her presentation of Budget Memo 85-2 (See Attachment A, minutes of February 26, 1985), Page 23. The Chairman commented that this is the first time the request has been made for funds for accumulated sick leave payments for retirees (Page 24).

During discussion of Student Salary Base Increases (Page 25) there was discussion concerning flexibility of universities to pay higher wages. It was noted that this has not been done with any increases received, because universities want to get more students involved in campus work. Ms. Galligan said there was no ear-marking of use of funds in the request for increase; but that the full amount of 10% (7% maintenance and 3% increased base) was in the same line. She added that, as the subcommittees work through the individual budgets, they should note that not in every case did the universities indendify those funds for higher salaries. Some left it ambiguous and some clearly earmarked funds for aditional jobs.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS,
room 123-S, Statehouse, at 11:00 a.m./~~p.m.~~ on February 27, 1985.

SYSTEMWIDE ISSUES, STATE BOARD OF REGENTS (Continued)

Ms. Galligan continued her presentation of the Budget memorandum and answered questions from committee members.

There was a brief discussion concerning utilities for Regents' institutions. In answer to questions, Ms. Galligan said she does not have information concerning utility expenses for the current fiscal year. She said she understood the Board is in the process of collecting some of that information at the present time.

The Chairman stated that the committee would be given the opportunity to question Ms. Galligan at its next meeting.

APPROVAL OF MINUTES

Motion was made by Senator Winter and seconded by Senator Doyen to approve the minutes for February 21, 1985. The motion carried by voice vote.

The meeting was adjourned by the Chairman.

STATE OF KANSAS

SENATOR
JOSEPH F. NORVELL
STATE SENATE--37TH DISTRICT
ELLIS, TREGO RUSH PAWNEE, NESS,
LANE, EDWARDS AND HODGEMAN
BOX 991
HAYS, KANSAS 67601



TOPEKA

SENATE CHAMBER

February 27, 1985

COMMITTEE ASSIGNMENTS
MEMBER, AGRICULTURE
TRANSPORTATION AND UTILITIES
JOINT COMMITTEE ON ADMINISTRATIVE
RULES AND REGULATIONS
ADVISORY COMMITTEE ON AGING
ELECTIONS
LABOR, INDUSTRY AND SMALL
BUSINESS

SENATE BILL 143 PERTAINS TO THE AMOUNT OF TUITION TO BE CHARGED AT OUR STATE UNIVERSITIES FOR CERTAIN INDIVIDUALS. THE TUITION FOR THE SPOUSE AND ANY CHILD OF A FULL-TIME FACULTY MEMBER EMPLOYED BY A STATE EDUCATIONAL INSTITUTION SHALL BE 1/2 OF THE AMOUNT FIXED FOR TUITION AT THE STATE EDUCATIONAL INSTITUTION AT WHICH THE SPOUSE OR CHILD ARE ENROLLED.

THE PURPOSE OF THIS LEGISLATION IS TO PROVIDE AN ADDED INCENTIVE TO RETAIN THE FACULTY MEMBERS WHICH WE PRESENTLY HAVE AT OUR STATE INSTITUTIONS; AS WELL AS, AN INCENTIVE TO ATTRACT NEW FACULTY MEMBERS FROM OTHER STATES TO MOVE INTO KANSAS AND TEACH AT OUR STATE UNIVERSITIES.

AT A TIME WHEN STATE RESOURCES ARE LIMITED, SENATE BILL 143 WOULD BE AN ADDITIONAL BENEFIT TO MANY FACULTY MEMBERS. NOT ONLY WILL LEGISLATION SUCH AS THIS INCREASE MORALE, DEPICT STATE CONCERN, BUT WILL IN ADDITION PROVIDE A MONETARY GAIN FOR THEM AT A TIME WHEN SUCH BENEFITS ARE SO BADLY NEEDED.

FOLLOWING ARE STATEMENTS BY THREE INDIVIDUALS WHO ARE PRESENTLY ON THE FACULTY AT FT. HAYS STATE UNIVERSITY IN REFERENCE TO SENATE BILL 143. THEY COULD NOT BE IN ATTENDANCE TODAY, BUT WANTED THEIR FEELINGS KNOWN ON SAID LEGISLATION.

"COMMUNITY COLLEGES ALLOW CHILDREN AND SPOUSES TO ATTEND TUITION FREE NOW. I DO THINK THERE WOULD BE SOME EQUITY. LAST YEAR, LOOKING AT A PROSPECTIVE FACULTY MEMBER WHO WAS WIDOWED AND HAD TWO CHILDREN READY TO START COLLEGE--THIS WOULD HAVE BEEN A GOOD FRINGE BENEFIT. THE PAY WAS INSUFFICIENT AND I WAS UNABLE TO HIRE HER".

Dr. Merlene Lyman

"MANY TIMES THE FRINGE BENEFITS AT OUR REGENT INSTITUTIONS DO NOT COMPARE FAVORABLY TO OTHER STATES. THIS PROPOSED BILL OF SENATOR NORVELL S WOULD DEFINITELY ENTICE FACULTY TO TEACH AT ONE OF OUR STATE UNIVERSITIES. MANY TIMES WE CAN'T COMPETE WITH SALARIES BUT FRINGES ARE BECOMING MORE AND MORE IMPORTANT IN ATTRACTING GOOD FACULTY".

Dr. Elton Beougher

"SOME FACULTY MEMBERS HAVE BEEN ENTICED BY INSTITUTIONS HAVING SUCH A PROGRAM TO LEAVE FT. HAYS STATE UNIVERSITY. THERE IS A GREAT DEAL OF FACULTY SUPPORT FOR THIS BILL. IT WOULD HELP TO DEVELOP PRIDE IN OUR OWN INSTITUTIONS".

Jim Costigan

0046 an employee of the educational institution. *For each faculty*
 0047 *member who has entered into a reduced-service agreement with*
 0048 *an educational institution under this section, the full-time*
 0049 *equivalent salary, calculated as if the faculty member is serving*
 0050 *under a full-time appointment as an employee of the educa-*
 0051 *tional institution, shall be utilized for the purposes of calculat-*
 0052 *ing the insured death benefit and the insured disability benefit*
 0053 *under K.S.A. 74-4927 and amendments thereto and calculating*
 0054 *final average salary as defined in subsection (17) of K.S.A.*
 0055 *74-4902 and amendments thereto.*

and who is at least 60 years of age but who is under 65 years of age

0056 Sec. 2. K.S.A. 76-746 is hereby repealed.
 0057 Sec. 3. This act shall take effect and be in force from and
 0058 after its publication in the statute book.

all employer provided benefits, including but not limited to, compensation for accumulated sick leave

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