

Approved _____

Date

3-24-86

MINUTES OF THE House COMMITTEE ON Ways and Means

The meeting was called to order by Bill Bunten at
Chairperson

1:30 a.m./p.m. on Monday, March 17, 1986 in room 514-S of the Capitol.

All members were present except: Representatives Duncan, Rolfs and Mainey (all excused)

Committee staff present: Jim Wilson, Revisors Office
Gloria Timmer, Research
Lynn Goering, Research
Sharon Schwartz, Administrative Aide
Nadine Young, Committee Secretary

Conferees appearing before the committee:

None
Others present (Attachment A)

Chairman Bunten called the meeting to order at 1:30 and requested introduction of a bill relating to Washburn University, which would establish the school as a state university (Attachment B). Representative Chronister moved and Representative Wisdom seconded that the bill be introduced and referred back to this committee. Motion carried.

Chairman recognized Mary Galligan, Legislative Research, who addressed the committee and reviewed the systemwide issues for State Board of Regents institutions. Committee was asked to refer to Memo at back of 1987 Budget Analysis.

FY 1986 Supplemental Requests

Page 2-4 of budget analysis memo lists the requests by the universities. It was noted that the figure for Wichita State should be \$109,530; Pittsburg State should be \$113,200 and Fort Hays State should be \$40,600. Kansas Technical Institute was raised from zero to \$3,588, and K-State Veterinary Medical Center from \$20,000 to \$32,712.....an addition of \$44,000.

Concerning Accumulated Leave payments, Senate's decision was not to make a systemwide decision, but delegated that decision to be studied on an individual basis. No supplemental was granted for this purpose.

Supplemental request for new telephone system that will be installed on the campuses beginning in fiscal 1987. (see table on page 2-5). Senate concurred with Governor's recommendations.

It was noted regarding FY 1986 General Fees Fund Adjustments (page 2-6) that the requested figures for Emporia State and KTI are reversed on the table and should be (\$20,000) for KTI, and (\$11,251) for Emporia State. Senate approved release of a portion of the fees based on FTE enrollment.

Enrollment Adjustment (page 2-13) request of \$1,630,737. Governor and Senate concurred with this request. Note: Board of Regents concluded a study relating to enrollment procedures and resulted in a request that the enrollment adjustment procedure would be one of the many financial issues that would be examined during interim study.

Unclassified Salary Increases (page 2-18). Regents approved the request of \$16,162,632 for fiscal 1987. Senate approved the 3% increase for unclassified salaries and concurred in the 1% salary increase for those who participate in the federal program.

Classified Salary Base Increases. For FY 1987 the Regents' institutions requested a 7.0% increase (table on page 2-24). Senate did not recommend any increase. They did concur with the Governor's recommendation in the step movement.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Ways and Means,
room 514-S, Statehouse, at 1:30 ~~am~~/p.m. on Monday, March 17, 1986

Student Salary Base Increase (page 2-25). Regents requested 7% increase for \$470,564. Senate recommended 4%.

Off-Campus Work Study Program (2-26). Governor's recommendation was to hold the program same as FY 1986. Senate concurred.

OOE (2-28). Fiscal 1987 request was for a 7% increase. Governor's recommendation was for 2% with additional 2% in the investment budget. Senate concurred with the Governor and added an additional 2% that would be a one time expenditure outside the base.

Difference Between Actual and Budgeted OOE (see table on 2-29). There was considerable discussion regarding taking money allotted for salaries and using it for OOE. Representative Chronister suggested that individual subcommittees might want to look at this table very closely in working the fiscal 1987 budgets for the universities. Legislature instructed one school a few years back that this was not allowed. This table indicates that it is becoming a growing practice and believes the subcommittees should give this matter close consideration.

Utilities (2-30). Request was for 5% increase. Governor recommended a decrease from the FY 1986 base. This recommendation would hold utility expenditures as well as those amounts approved for new buildings. Senate concurred with the Governor.

Overall, the Senate made an adjustment of about \$18 million over what the Governor recommended. Included in the adjustment was restoration of the amount the Governor had reduced from KPERS of 4.4%.

This concludes the presentation.

Chairman asked for a motion on the Minutes for March 10, 11 and 12. Representative Hamm moved and Representative Chronister seconded that the minutes be approved as written. Motion carried.

Meeting adjourned at 3:00 p.m.

GUESTS

Date 3-17-86

Name

D. B. Dillie

Fred Subermann

Keith Wilkin

Walter Lemonds

John Hepburn

Gary Robbins

Marvin Burris

Chris Graves

Address

Topeka

Wichita

Topeka

Emporia

Emporia

Robelen

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Topeka

Representing

Budget Division

Wichita State University

Amer Gen Union. Past

Memorial Union - ESCD

ESD

Ks Opt Assn

Board of Regents

ASK

A

BILL NO. _____

AN ACT relating to Washburn university of Topeka; establishing Washburn state university; providing for the conveyance of property to the state board of regents; authorizing and requiring certain tax levies and disbursement thereof; providing for retirement of the bonded indebtedness of Washburn university of Topeka; providing for the disposition and management of the endowment property of Washburn university of Topeka; and establishing a board of trustees for the university and prescribing its composition, powers, rights and authority.

Be it enacted by the Legislature of the State of Kansas:

Section 1. As used in this act:

(a) "Washburn board" means the board of regents of Washburn university of Topeka.

(b) "State board" means the state board of regents.

(c) "Campus property" means the real estate, buildings, facilities, furnishings, fixtures and equipment comprising the educational plant of Washburn university of Topeka.

(d) "Endowment property" means endowment funds, scholarship funds and investment real or personal property, the net earnings of which are devoted to general education purposes, to the retirement of revenue bonds or to special educational purposes as prescribed or authorized by the donors of such property.

Sec. 2. (a) On July 1, 1988, Washburn university of Topeka is hereby established as a separate, freestanding state educational institution under the control and management of the state board, which shall be located in the city of Topeka, county of Shawnee, Kansas, and which shall be known as Washburn state university.

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H. Williams 3/17/86 B

(b) Prior to July 1, 1988, Washburn state university shall continue to be known as Washburn university of Topeka and, subject to the provisions of this act, to be operated and managed as a municipal university as provided in K.S.A. 13-13a03 to 13-13a37, inclusive, and amendments thereto and shall be entitled to all financial aid payments and out-district tuition payments as provided for in K.S.A. 13-13a25 to 13-13a34, inclusive, and amendments thereto and all financial aid payments as provided for in K.S.A. 72-6501 to 72-6509, inclusive, and amendments thereto.

(c) After June 30, 1988, Washburn state university shall be the successor in interest to Washburn university of Topeka and all properties, moneys, rights, authorities and liabilities of Washburn university of Topeka are hereby transferred to and imposed on Washburn state university. After June 30, 1988, whenever Washburn university of Topeka, or words of like effect, is referred to or designated by any statute, contract or other document, such reference or designation shall be deemed to apply to Washburn state university.

Sec. 3. (a) On or before July 1, 1988, the Washburn board shall transfer and convey all of the campus property of Washburn university of Topeka and all of the rights, title or interest Washburn state university may have in such campus property on the date of transfer, or may thereafter acquire in such campus property, to the state board. Effective July 1, 1988, the state board shall succeed by operation of law to all rights and liabilities of Washburn university of Topeka, except for general obligation bonds of Washburn university of Topeka which are outstanding on July 1, 1988.

(b) The state board, for and on behalf of the state of Kansas, shall accept the transfers and conveyances of title to all of the campus property of Washburn university of Topeka, subject to the condition that actual possession, control and supervision of the university and the campus property thereof by the state of Kansas through the state board shall not be effective until July 1, 1988.

Sec. 4. Prior to July 1, 1988, the Washburn board shall be the governing body of Washburn university of Topeka, shall exercise such power and authority as is provided by law for the operation and management of Washburn university of Topeka in its status as a municipal university as provided in K.S.A. 13-13a03 to 13-13a37, inclusive, and amendments thereto, subject to the provisions of this act, and shall serve as liaison with the state board in preparation for the transfer of control and supervision of the university to the state board.

Sec. 5. On or before September 15, 1987, the Washburn board shall submit a budget for Washburn state university for the fiscal year ending June 30, 1989, to the state board for approval or adjustment and annually thereafter the president of Washburn state university shall submit a budget for the ensuing fiscal year to the state board in the manner prescribed by the state board under K.S.A. 76-711 to 76-766, inclusive, and amendments thereto.

Sec. 6. (a) On or before March 15, 1988, the Washburn board shall submit to the state board a list of officers and employees of Washburn university of Topeka who are recommended for appointment by the state board on July 1, 1988, as officers and employees of Washburn state university for the fiscal year ending June 30, 1989. On or before April 15, 1988, the state board shall advise the Washburn board of its approval or any modification of such list.

(b) On July 1, 1988, the state board shall appoint the officers and employees on such list, as approved or as modified and approved by the state board, to positions in the classified service or unclassified service under the Kansas civil service act at Washburn state university. Each such officer or employee whose position is within the classified service under the Kansas civil service act shall be deemed qualified under the Kansas civil service act for the position to which such officer or employee is appointed at the time of the assumption of control by the state board on July 1, 1988.

(c) Prior to July 1, 1988, officers and employees of Washburn university of Topeka shall not be subject to or eligible for membership or participation in the Kansas public employees retirement system or the retirement annuity plan under K.S.A. 74-4925 and amendments thereto which are provided by law for officers and employees of the state board or the state educational institutions under the control and supervision of the state board. Except as otherwise provided by this act, after June 30, 1988, officers and employees of Washburn state university shall be eligible as provided by statute for membership or participation in the Kansas public employees retirement system or the retirement annuity plan under K.S.A. 74-4925 and amendments thereto. No prior service credit under the Kansas public employees retirement system shall be credited to such officers and employees for service with Washburn university of Topeka prior to July 1, 1988, except that such service prior to July 1, 1988, shall be credited toward satisfaction of any requirement to complete certain periods of service for membership or participation by such persons in such retirement system or retirement annuity plan.

(d) All officers and employees appointed under this section to positions at Washburn state university shall be credited with all service of such officers and employees with Washburn university of Topeka prior to July 1, 1988, for all purposes of determining longevity and longevity benefits under the Kansas civil service act or under the policies of the state board. All sick and personal leave accrued by such officers and employees for service with Washburn university of Topeka prior to July 1, 1988, shall be credited to such officers and employees as sick and annual leave under the applicable policies of the state board or rules and regulations adopted under the Kansas civil service act.

(e) Officers and employees of Washburn university of Topeka who are approved and appointed under this section by the state board to positions in the classified service or unclassified

service under the Kansas civil service act at Washburn state university on July 1, 1988, shall retain and receive the same fringe benefits in their new employment status which such officers and employees received as officers or employees of Washburn university of Topeka prior to July 1, 1988, and which were financed prior to July 1, 1988, from the employee benefits contribution fund established for Washburn university of Topeka under K.S.A. 12-16,102 and amendments thereto, except that if any new or additional benefits are provided to other officers or employees of the other state educational institutions after July 1, 1988, such new or additional benefits shall also be provided to the persons who were appointed under this section as officers and employees of Washburn state university on July 1, 1988.

Sec. 7. (a) On July 1, 1988, the Washburn board shall pay to the state treasurer all unencumbered and unexpended moneys of Washburn university of Topeka, except moneys which constitute endowment property, which are moneys of a not-for-profit corporation operating the student union at the university or which are proceeds from the levy authorized by K.S.A. 13-13a23 and amendments thereto. Upon receipt of such moneys, the state treasurer shall deposit the entire amount in the state treasury to the credit of the Washburn state university support and benefit fund which is hereby created in the state treasury.

(b) Any remaining moneys to which Washburn university of Topeka is entitled from the tax levies made by the Washburn board under K.S.A. 12-16,102 and 13-13a18 and amendments thereto shall be paid to the state treasurer who shall deposit such moneys in the state treasury to the credit of the Washburn state university support and benefit fund.

(c) The director of accounts and reports shall create appropriate accounts in the Washburn state university support and benefit fund for general use moneys and restricted use moneys.

(d) Any moneys to which Washburn university of Topeka is entitled from the tax levy made by the Washburn board under K.S.A. 13-13a23 and amendments thereto shall be paid to the board

of trustees established by section 8 and shall not be deposited in the state treasury.

Sec. 8. (a) At the time of the transfer of control and supervision of Washburn state university to the state board on July 1, 1988, the Washburn board is hereby abolished and there is hereby established the board of trustees of Washburn state university.

(b) The board of trustees shall be composed of nine members, five of whom shall be appointed by the governor and four of whom shall be appointed by the mayor of the city of Topeka. Members appointed to the board of trustees are eligible for reappointment. Persons serving as members of the Washburn board on June 30, 1988, are eligible for appointment to the board of trustees. All vacancies in office of members of the board of trustees appointed as provided in this section shall be filled by appointment in the same manner as the original appointment for the remainder of the unexpired term of the member creating the vacancy.

(c) Appointments by the governor shall be made as follows:

(1) Three members shall be residents of the city of Topeka, one each from the three districts from which state senators are elected by residents of the city. Members appointed under this provision shall be selected by the governor from a list of three nominees for each position submitted by the city council of Topeka.

(2) One member shall be a resident of the city of Topeka from the city-at-large.

(3) One member shall be a resident of the state of Kansas from the state-at-large.

(d) The members of the board of trustees appointed by the governor shall serve for terms of four years and until their respective successors have been appointed and qualified, except that, of the members initially appointed for the terms commencing on July 1, 1988, two shall serve for terms of three years, two shall serve for terms of two years, and one shall serve for a

term of one year.

(e) The members of the board of trustees appointed by the mayor shall serve for terms of four years and until their respective successors have been appointed and qualified, except that, of the members initially appointed for the terms commencing on July 1, 1988, one shall serve for terms of three years, and two shall serve for terms of two years, and one shall serve for a term of one year. All members appointed by the mayor shall be residents of the city of Topeka from the city-at-large.

(f) The primary purpose of the board of trustees shall be to support the educational undertakings of Washburn state university and for that purpose to receive and hold in trust any property, real or personal, which is donated, devised, bequeathed, given in trust or in any other way given to the board of trustees for the use or benefit of Washburn state university, or of any student, professor or administrator, or of any line of work, teaching or investigation of Washburn state university which the donor, grantor or testator designates. The board of trustees is hereby authorized to invest or disburse all such property received and generally to care for, manage, administer and control all such property received, to carry out the wishes of the donors and to see that the property received is applied to the uses specified by the donors, or, in the case of a general gift, devise or bequest, to see that the property is applied to such uses as may be agreed upon by the board of trustees.

(g) The board of trustees shall have the right, power and authority to have a seal, to sue and be sued, to hold, manage, lease, sell and receive properties, real and personal, for the endowment or benefit of Washburn state university and to transfer to the Washburn foundation of Topeka any and all gifts of property, real and personal, to be endowed for Washburn state university. The board of trustees shall also have the power and authority to use the proceeds of the tax levy provided for in section 10 for purposes for the benefit of Washburn state university which shall include, but not be limited to, financing

capital improvements, faculty and staff development and scholarships. The board of trustees shall carry out any existing arrangement or commitment where revenues of any property owned by the board of trustees are pledged to the payment of revenue bonds of Washburn university of Topeka.

(h) The board of trustees shall have the authority, on behalf of and with the consent of the state board, to enter into leases of campus property of Washburn state university, as lessor or lessee, in conjunction with the issuance of revenue bonds by a public building commission pursuant to K.S.A. 12-1757 to 12-1768, inclusive, and amendments thereto.

Sec. 9. On July 1, 1988, Washburn foundation of Topeka, a not-for-profit corporation organized and existing under the laws of the state of Kansas, shall assume all of the rights, powers and authority of, and shall be deemed to be the same legal entity as, the Washburn board with respect to endowment property of Washburn university of Topeka and shall succeed by operation of law to the ownership of all such endowment property. The Washburn foundation of Topeka shall have the right to hold, manage, lease, sell and receive properties, real and personal, for the endowment or benefit of Washburn state university.

Sec. 10. (a) The governing body of the city of Topeka shall levy an annual tax commencing with the budget year 1989 at the rate of 2.25 mills on all taxable tangible property in such city. That portion of the proceeds of such levy, together with the proceeds of levies under K.S.A. 13-13a23 and amendments thereto as are required to retire and pay the interest on general obligation bonds of Washburn university of Topeka issued and outstanding on July 1, 1988, shall be paid by the county treasurer to the state treasurer and, upon receipt of the same, the state treasurer shall credit the amount paid to the Washburn bond and interest sinking fund which is hereby created in the state treasury and which shall be used by the state board for the purpose of retiring and paying the principal of and interest on such general obligation bonds.

(b) If the proceeds of such levy in any year, together with funds available from previous levies, are insufficient to pay the principal of and interest on such general obligation bonds required to be paid in such year, the governing body of the city of Topeka shall make such additional tax levy as may be necessary to pay such interest and principal installments coming due in such year in full.

(c) The balance of any levies made under this section, if any, shall be paid over to the board of trustees to be used for such purposes as may be determined by the board of trustees, subject to approval by the governing body of Topeka, and which are within the purposes authorized by section 8.

(d) The general obligation bonds described in this section shall not be considered in applying any law limiting bonded indebtedness of the city of Topeka. The tax levies authorized by this section are exempt from the limitation imposed under the provisions of K.S.A. 79-5001 to 79-5016, inclusive, and amendments thereto.

Sec. 11. The governing body of the city of Topeka shall levy an annual tax commencing with budget year 1989 at a rate not to exceed 7 mills on all taxable tangible property in such city for the purpose of providing the sum of not more than \$2,500,000 annually for the operation of Washburn state university. The proceeds of such levy together with the proceeds of levies by the Washburn board under K.S.A. 13-13a18 and amendments thereto shall be paid by the county treasurer to the state treasurer. Upon receipt of such proceeds, the state treasurer shall credit the entire amount of such proceeds to the Washburn state university support and benefit fund and such proceeds shall be used for financing the operation of Washburn state university. The tax levy authorized by this section shall be in addition to all other tax levies authorized or limited by law and shall be exempt from the limitation imposed under the provisions of K.S.A. 79-5001 to 79-5016, inclusive, and amendments thereto.

Sec. 12. The governing body of the city of Topeka shall levy

an annual tax commencing with budget year 1989 on all taxable tangible property in such city in an amount sufficient for, and for the purpose of, financing the fringe benefits of the persons who were officers and employees of Washburn university of Topeka and who are appointed as officers and employees of Washburn state university on July 1, 1988, which were financed prior to July 1, 1988, from the employee benefits contribution fund established for Washburn university of Topeka under K.S.A. 12-16,102 and amendments thereto. The proceeds from the levy authorized by this section, together with the proceeds from the levies made by the Washburn board under K.S.A. 12-16,102 and amendments thereto, shall be paid by the county treasurer to the state treasurer. Upon receipt of such proceeds, the state treasurer shall credit the entire amount of such proceeds to the Washburn state university support and benefit fund and such proceeds shall be used for the purpose of financing the fringe benefits of the persons who were officers and employees of Washburn university of Topeka and who were appointed to Washburn state university on July 1, 1988. The tax levied under this section shall be in an amount determined necessary for the purposes of financing such fringe benefits to such persons by the state board. The tax levy authorized by this section shall be in addition to all other tax levies authorized or limited by law and shall be exempt from the limitation imposed under the provisions of K.S.A. 79-5001 to 79-5016, inclusive, and amendments thereto.

Sec. 13. This act shall take effect and be in force from and after its publication in the statute book.