

Approved 4/27/87
Date

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./~~xxx~~ on March 19, 1987 in room 123-S of the Capitol.

All members were present except:

Committee staff present:

Research Department: Robin Hunn, Ron Schweer, Gloria Timmer, Ray Hauke
Revisor's Office: Norman Furse
Committee Office: Judy Bromich, Pam Parker

Conferees appearing before the committee:

HB 2439 - FY 1988 appropriations for regents institutions, state board of regents and Kansas technical institute

Staff reviewed Systemwide Issues regarding Regents institution and distributed copies of information. (Attachments 1, 2, 3, 4) The majority of staff's review is contained in the FY 1988 Budget Analysis prepared by the Kansas Legislative Research Department, pages 2-1 through 2-25. Staff noted that an item approved by the Board of Regents for a supplemental request concerns approval for the individual universities requesting health insurance at the revised rate that they are being required to pay. That totals \$732,000 in FY 1987.

The Chairman announced the review by Staff would be continued another day.

Senator Feleciano moved, Senator Doyen seconded, the introduction of bill draft 7 RS 1298, an act concerning emergency medical services; authorizing emergency medical services council to approve certain training programs. The motion carried by voice vote.

Senator Winter made a motion which was seconded by Senator Doyen to introduce bill draft 7 RS 1333, an act concerning fire safety and prevention; relating to the construction of school buildings. The motion passed by voice vote.

Senator Winter moved, Senator Doyen seconded, the introduction of two bill drafts, (a) 7 RS 1220, an act concerning the university of Kansas medical center; relating to repayment of a loan from the pooled money investment board for the facility for the care of and clinical research on animals, and (b) 7 RS 1334, an act concerning the Kansas technical institute; relating to purchase of aircraft; providing exemption from bid procedures under certain circumstances. The motion carried on a voice vote.

Information distributed to Committee members included written testimony regarding SB 183 from Dr. Dan Kinney, President, Coffeyville Community College; Lew Perkins, Director of Athletics, Wichita State University; a memorandum from Senator Winter regarding University fee release; copies of correspondence between Douglas S. Wright, Mayor of Topeka, and the Chairman; and, a memorandum from the Legislative Research Department regarding policies for vehicle replacement. (Attachments 5, 6, 7, 8, and 9 respectively)

The meeting was adjourned at 12:05 p.m.

House Appropriations
Systemwide Regents

Item & Page Reference	Gov's Recommendation	Committee Recommendation

A. Financing Comparison No Decision Required		

B. FY 1987 Rescissions & Base Restoration (page 2-5)	Restore FY 1987 Rescissions, excepting utility rescissions	Decisions to be made by individual subcommittees

C. KANS-A-N Supplemental Request (page 2-7)	No Supplemental Appropriation for KANS-A-N	No FY 1987 supplemental approps for KANS-A-N KANS-A-N increases deleted from FY 1988 base

D. Fee Release & Supplementation of Fee Shortfalls (page 2-7)	Gov Recommends 75% Fee Release in FY 1987 Gov Recommends 50% Release at K.U. in FY 1988 No Recommendation on Supps (possibly later given Spring enrollments)	Committee recommends 50% fee release in FY 1987 Committee concurs with Gov's FY 88 Rec. at K.U.

E. Student Tuition No Decision Required (page 2-9)		Recommends that Board substantially increase non-resident tuition

F. Enrollment Adjustment (page 2-11)	Gov Recommends Single Year Cycle Gov Rec. new increase corridor of .5 percent Gov Rec. new decrease corridor of 2.5 percent Gov Rec. new KTI enrollment method	Subcommittee concurs with Gov- single year cycle Subcommittee concurs with Gov-corridors KTI to be reviewed by appropriate subcommittee

G. Unclassified Salary Increase (page 2-13)	Gov Rec. 2.5 percent overall increase Gov Rec. 1.0 percent in retirement contribution	Concur with Gov on 2.5 percent salary increase Delete funds for retirement contrib. increase

H. Classified Salary (No decision necessary)		

I. Student Salaries (page 2-18)	Gov Rec. 2.5 percent increase student salaries Gov. Rec. 2.5 percent for off campus work study Gov deletes \$20,000 Board transfer to WSU	Concur with Gov on 2.5 percent salary increase Concur with Gov on 2.5% off campus work study No recommendation on \$20,000 to WSU

J. Other Operating Expd. (page 2-21)	Gov Rec. 2% base increase-peer distributed Gov Rec. 3% Education prog. one-time peer dist. Gov Rec. 2% & 3% for KTI, KLUMC, Vet Med	2% OOE increase distributed across the Board Delete funds for one-time increase

K. Utilities (page 2-22)	Gov Rec. No Basic Increase Gov Rec. Base Reduction of FY87 Utility Lapses Gov Rec No specific transfer energy svg cap impv	Concur with Gov. on utility expenditures No provision for transfer to energy saving cap improvements

L. Service New Bldgs	Gov Rec. No Funding for KU & KSU new bldgs.	Concur with Governor. Committee would give favorable consideration to G.B.A. on this matter

M. Telecommunications	Gov Rec. Adjust Budgets at 5 Universities for new telecommunications systems	Each Subcommittee to review their budgets and utilize restricted use funds when possible

ATTACHMENT 1
3/19/87 SWAM

Requested and Recommended Systemwide Maintenance & Program Improvements

Agency Request	KU	KSU	WSU	ESU	FHSU	PSU	Vet Med	K.U.M.C.	KTI	Systemwide Totals
General Use Increases										
Classified Salaries	541,665	492,662	268,279	49,625	167,551	98,417	39,435	776,854	23,198	2,457,686
Unclassified (8% Incr)	5,447,189	5,039,672	2,381,491	959,331	902,414	988,991	301,527	3,051,958	141,270	19,213,843
Student Salary (8%)	111,812	125,725	82,887	62,370	63,638	41,940	7,830	55,073	2,634	553,909
Other Operating Regular	884,066	801,408	364,410	140,880	160,231	129,066	138,392	2,221,937	60,278	4,900,668
Other Operating Special	629,021	331,068	173,323	75,725	92,388	95,472	0	0	0	1,396,997
Utilities	283,918	221,509	136,940	39,275	40,972	43,950	45,533	240,246	6,304	1,058,647
Addl 1% Retirement	533,214	487,585	232,872	99,292	97,338	104,443	34,676	373,290	17,999	1,980,709
Other Prog Improvements	2,900,393	2,695,000	1,330,833	523,000	518,920	516,756	742,840	3,454,717	125,244	12,807,703
Total Of Major Items										44,370,162

Gov Rec	KU	KSU	WSU	ESU	FHSU	PSU	Vet Med	K.U.M.C.	KTI	Total
General Use Increases										
Classified Salaries	539,310	491,953	257,814	44,290	85,995	90,160	38,385	776,854	18,453	2,343,214
Unclassified(2.5% Incr)	1,690,365	1,619,917	758,637	299,216	277,551	309,203	94,390	960,735	44,775	6,054,789
Student Salary (2.5%)	37,645	39,287	27,792	19,022	19,887	13,080	2,447	18,673	882	178,715
Other Operating Reg(2%)	443,792	229,937	120,312	53,635	66,186	66,676	37,912	667,656	17,222	1,703,328
Other Operating Special	360,858	184,968	98,836	43,991	53,241	54,135	31,806	142,572	13,356	983,763
Utilities	0	0	0	0	0	0	0	0	3,110	3,110
Addl 1% Retirement	533,214	419,838	232,872	85,817	97,338	110,275	33,958	373,290	17,999	1,904,601
Resident Salaries	0	0	0	0	0	0	0	222,566	0	222,566
Other Prog Improvements	290,000	278,000	110,000	0	0	0	242,840	0	0	920,840
Total of Major Items										14,314,926

House Approp. Rec	KU	KSU	WSU	ESU	FHSU	PSU	Vet Med	K.U.M.C.	KTI	Total
General Use Increases										
Classified Salaries	539,310	491,953	257,814	44,290	85,995	90,160	38,385	776,854	18,453	2,343,214
Unclassified(2.5% Incr)	1,690,365	1,619,917	758,637	299,216	277,551	309,203	94,390	960,735	44,775	6,054,789
Student Salary (2.5%)	37,645	39,287	27,792	19,022	19,887	13,080	2,447	18,673	882	178,715
Other Operating Reg(2%)	347,503	318,969	144,629	55,891	62,362	51,184	37,912	667,656	17,222	1,703,328
Other Operating Special	0	0	0	0	0	0	0	0	0	0
Utilities	0	0	0	0	0	0	0	0	3,110	3,110
Addl 1% Retirement	0	0	0	0	0	0	0	0	0	0
Resident Salaries	0	0	0	0	0	0	0	222,566	0	222,566
Other Prog Improvements	290,000	278,000	110,000	0	0	0	242,840	0	0	920,840
Total of Major Items										11,426,562

ATTACHMENT 2
3/19/87 SWAM

REVISED ESTIMATES OF GENERAL FEE FUND RESOURCES
NET INCREASE (NET DECREASE)
TO PREVIOUS ESTIMATE

	<u>FY 1987</u>	<u>FY 1988</u>
University of Kansas	\$ (74,809)	\$ 203,212
Kansas State University	294,580	352,044
Wichita State University	(52,032)	(60,896)
Emporia State University	29,270	19,717
Ft. Hays State University	12,663	29,344
Pittsburg State University	100,000	77,014
Kansas Technical Institute	(65,301)	(25,833)
Veterinary Medical Center	(104,561)	(7,519)
KU Medical Center	(97,095)	(1,684)
Net Change Systemwide	<u>\$ 42,715</u>	<u>\$ 585,399</u>

Notes:

1. Same fund balances as contained in Governor's Rec. for FY 1987 and FY 1988.
2. Same expenditures as contained in House Committee Recommendation.
3. NDSL transfers as contained in Governor's recommendations.
4. KU - reduction of summer school presumed in FY 1987 and FY 1988, compared to previous estimate.
5. KSU - increase of headcount in FY 1987 and FY 1988. KSU earlier predicted FY 1988 decrease.
6. WSU - decreases largely due to slight decrease in estimated spring headcount FY 1987 and FY 1988.
7. Presumably in FY 1987 KU and WSU could do without a supplemental appropriation due to projected fund balances. Fund balances are not sufficient to absorb FY 1987 losses at KTI or Veterinary Medical Center.

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ATTACHMENT 3
3/19/87 SWAM

MEMORANDUM

March 18, 1987

TO: Senate Ways and Means Committee
FROM: Kansas Legislative Research Department
RE: Comparison of Regents' Institutions to Peers

During several recent years the State Board of Regents has compared its institutions to a set of designated peer institutions. In a recent discussion of this process before the House Appropriations Committee, several questions arose concerning the peer comparisons. Specifically, committee members were interested in the variance among institutions in major data categories. The following tables were prepared to provide additional information concerning the peer institutions.

These tables list: institutional size; numbers of full time faculty; salaries of full-time faculty at various professorial ranks; employer retirement contribution; employee retirement contribution; resident tuition; nonresident tuition; and faculty compensation (including fringes) as a percentage of salary for each Kansas institution and its designated peers. Additionally, data are shown for two institutions, which are not peers, in Missouri and Nebraska. The data were largely assembled from published materials, as indicated by footnotes to the tables.

Salary data were compared to Kansas institutions using the median of the peers. Inasmuch as the published data were already a mathematical mean to apply another mean to those data would not produce reliable results; therefore, a peer median was used for comparison. The peer median data for full-time faculty positions in most cases reflect that Kansas institutions are several percentage points higher than the peer averages for salaries and wages which have been cited by the institutions and the Board. Some difference can be attributed to use of medians rather than averages. However, it is most important to recognize that the Board's comparisons include all salaries and wages expenditures and relate those expenditures to full-time equivalent students. This data only compare average salary for full-time teaching faculty. Therefore, the differences between these comparisons and the Board's are largely attributable to: (1) Kansas paying significantly less than its peers in salaries for personnel who are excluded from the published data used in these tables (principally part-time faculty, graduate teaching assistants, and classified employees); (2) Kansas paying less in fringe benefits than the peers; and (3) certain differences in staff to student ratios.

Kansas institutions appear to be significantly below peers when comparing to contributions to retirement programs. This relationship exists among each of the institutional peer groupings. It is reflected both by comparing percentage of gross salary contributed to retirement programs and by comparing compensation as a percentage of salary.

ATTACHMENT 4
3/19/87 SWAM

Resident tuition among three peer groupings (KU, KSU, and the regional universities) tends to be more in Kansas than at several of the peers or the peer average. However, in some cases the differences are relatively small. Nonresident tuition in Kansas is significantly less than at the peer institutions, according to this data. Only Oklahoma has lower nonresident tuition than Kansas.

D87-40/RH

TABLE 1

UNIVERSITY OF KANSAS AND PEERS

	Fall 1986 FTE <u>Students</u>	No. of <u>Faculty</u>	Faculty to FTE Student <u>Ratio</u>	Average Salary <u>Professors</u>	Average Salary Associate <u>Professors</u>	Average Salary Assistant <u>Professors</u>	Average Salary Instructor	Average Salary All Ranks	Employer Contribution Retirement	Employee Contribution Retirement	Resident Annual Tuition and Fees	Non-Resident Tuition and Mandatory Fees	Compensation As a % of Salary (All Ranks)	AAUP Rank Full Prof.
University of Kansas	23,094	961	1:24	\$ 41,600*	\$ 30,100	\$ 27,100	\$ 18,200	\$ 34,900	7.0%	5.0%	\$ 1,290	\$ 3,200	117.2%	4
University of Colorado (Boulder)	20,520	896	1:22	41,400*	32,800	29,100	23,800	36,400	5.0% of \$27,000 7.0% of rmdr.	5.0% of \$27,000 7.0% of rmdr.	1,779	6,559	115.1	4
University of Iowa (Iowa City)	24,270	1,031	1:24	43,900*	33,200	28,200	27,400	36,800	6.6% of \$4,800 10.0% of rmdr.	3.3% of \$4,800 5.0% of rmdr.	1,390	4,080	122.3	3
University of North Carolina (Chapel Hill)	18,087	1,042	1:17	50,700*	36,800	30,400	27,500	40,500	6.0%	6.0%	820	4,160	117.0	2
University of Oklahoma (Norman)	17,065	767	1:22	41,500*	31,600	26,600	16,300	33,100	9.0% of \$25,000 and 15.0% over \$9,000	5.0% of \$25,000	921	2,727	122.1	4
University of Oregon (Eugene)	15,203	634	1:24	38,300*	30,000	25,000	19,900	31,300	17.0%	0	1,487	4,190	126.5	5
Average of Peers	19,029	874									1,281	4,153		
Median of Peers	18,087	896	1:22	41,500	32,800	28,200	23,800	36,400	9.6%	3.0%	1,390	4,190	122.1	4
Kansas as Percent of Median				100.0%	91.8%	96.1%	76.5%	95.9%					96.0	
Surrounding States -- Non-Peers														
University of Missouri-Columbia		858		39,700*	30,200	27,600	20,400	33,000	8.4%	0	1,567	4,537	120.6	5
University of Nebraska-Lincoln		1,017		39,000*	29,600	25,500	17,500	32,900	7.0%	6.0%	1,524	3,782	117.9	5

* Most frequently occurring professorial rank.

TABLE II

KANSAS STATE UNIVERSITY AND PEERS

	Fall 1986 FTE Students	No. of Faculty	Faculty to FTE Student Ratio	Average Salary Professors	Average Salary Associate Professors	Average Salary Assistant Professors	Average Salary Instructor	Average Salary All Ranks	Employer Contribution Retirement	Employee Contribution Retirement	Resident Annual Tuition and Fees	Non-Resident Tuition and Mandatory Fees	Compensation As a % of Salary (All Ranks)	AAUP Rank Full Prof.
Kansas State University	15,216	870	1:17.5	\$ 39,600*	\$ 29,900	\$ 25,700	\$ 20,700	\$ 32,100	7.0%	5.0%	\$ 1,303	\$ 3,213	117.8%	5
Colorado State University (Ft. Collins)	17,110	917	1:18.7	40,100*	31,800	27,800	21,900	34,600	12.2%	8.0%	1,697	4,939	116.5	5
Iowa State University (Ames)	25,517	1,364	1:18.7	41,500*	31,200	26,300	18,700	32,300	6.6% of \$4,800 10.0% of rmdr.	3.3% of \$4,800 5.0% of rmdr.	1,390	4,080	122.9	4
North Carolina State University (Raleigh)	19,655	867	1:22.7	50,000*	36,400	31,700	25,500	36,300	6.0%	6.0%	839	4,179	117.1	2
Oklahoma State University (Stillwater)	17,903	803	1:22.3	40,100*	31,800	27,800	21,900	32,000	9.0% of \$25,000 and 10% over \$7,800	5.0% of \$25,000 and 5.0% over \$7,800	889	2,680	122.8	5
Oregon State University (Corvallis)	14,051	656	1:21.4	38,900*	30,800	26,000	19,100	31,400	17.0%	0	1,487	4,190	126.8	5
Average of Peers	18,847	921									1,260	4,013		
Median of Peers	17,903	867	1:21.4	40,100	31,800	27,800	21,900	32,300	9.6%	4.8%	1,390	4,179	122.8	5
Kansas as Percent of Median				98.8%	94.0%	92.5%	94.5%	99.4%					95.9	

* Most frequently occurring professorial rank.

TABLE III

WICHITA STATE UNIVERSITY AND PEERS

	Fall 1986 FTE Students	No. of Faculty	Faculty to FTE Student Ratio	Average Salary Professors	Average Salary Associate Professors	Average Salary Assistant Professors	Average Salary Instructor	Average Salary All Ranks	Employer Contribution Retirement	Employee Contribution Retirement	Resident Annual Tuition and Fees	Non-Resident Tuition and Mandatory Fees	Compensation As a % of Salary (All Ranks)	AAUP Rank Full Prof.
Wichita State University	10,719	495	1:21.7	\$ 40,300	\$ 31,400	\$ 25,700*	\$ 19,400	\$ 29,200	7.0%	5.0%	\$ 1,346	\$ 3,256	117.8%	3
University of Akron	18,388	755	1:24.4	43,400	33,900*	28,900	23,700	34,600	14.0%	8.5%	1,784	3,896	121.4	3
Portland State University	9,933	**		**	**	**	--**	**	17.0%	0	1,476	4,179	**	**
Virginia Commonwealth University (Richmond)	15,384	807	1:19.1	41,200	33,600*	29,100	22,500	32,700	16.2%	0	2,110	4,730	124.5	3
University of North Carolina -- Greensboro	8,846	438	1:20.2	47,200	34,000*	28,200	23,100	33,500	6.0%	6.0%	922	4,262	117.6	3
University of Wisconsin -- Milwaukee	18,438	724	1:25.5	43,100	31,900*	27,700	23,200	34,200	9.5%	1.0%	1,626	4,970	125.7	4
Western Michigan University (Kalamazoo)	17,023	729	1:23.3	38,600*	31,300	26,400	18,300	32,900	9.35% to FICA max 16.5% above FICA max	0	1,620	3,950	124.3	5
Average of Peers	14,669	690									1,590	4,331		
Median of Peers	17,023	729	1:23.3	43,100	33,600	28,200	23,100	33,500			1,623	4,221	124.3	3
Kansas as Percent of Median				93.5%	93.5%	91.1%	84.0%	87.2%	11.7%	.5%			94.8%	

* Most frequently occurring professorial rank.

** Data not listed in AAUP survey.

TABLE IV

REGIONAL UNIVERSITIES AND PEERS

	Fall 1986 FTE Students	No. of Faculty	Faculty to FTE Student Ratio	Average Salary Professors	Average Salary Associate Professors	Average Salary Assistant Professors	Average Salary Instructor	Average Salary All Ranks	Employer Contribution Retirement	Employee Contribution Retirement	Resident Annual Tuition and Fees	Non-Resident Tuition and Mandatory Fees	Compensation As a % of Salary (All Ranks)	AAUP Rank Full Prof.
Emporia State University	4,344	203	1:21.4	\$ 32,900*	\$ 28,500	\$ 25,000	\$ --	\$ 28,700	7.0%	5.0%	\$ 1,136	\$ 2,386	117.8%	5
Fort Hays State University	4,277	209	1:20.5	33,300*	27,600	24,100	20,700	27,700	7.0%	5.0%	1,210	2,460	117.3	5
Pittsburg State University	4,682	226	1:20.7	33,600*	29,400	25,700	20,400	29,500	7.0%	5.0%	1,102	2,352	117.6	4
Eastern New Mexico University (Portales)	3,187	149	1:21.4	35,500	29,800	25,400*	20,900	27,500	7.6%	7.6%	897	3,078	120.0	3
Murray State University	5,637	332	1:17.0	32,600	28,000*	23,800	20,400	27,100	10.3%	5.9%	1,000	2,880	124.7	4
Western Carolina University (Cullowhee)	5,213	284	1:18.4	38,600	32,600*	27,100	21,900	31,300	6.0%	6.0%	812	4,060	119.5	2
Central Oklahoma University (Edmond)	8,800	345	1:25.5	38,000	34,700	31,800*	26,400	33,400	9.0% of \$25,000	5.0% of \$25,000	712	1,914	111.4	3
Eastern Washington University (Cheney)	7,280	325	1:22.4	33,400*	29,300	22,600	17,600	30,300	5.0% below 35 yrs. 7.5% over 25 yrs. or 10.0% over 50 yrs. (optional)	5.0% 7.5% or 10.0%	1,212	4,206	123.8	5
Northern Arizona University (Flagstaff)	10,979	471	1:23.3	41,300	30,400*	26,600	21,900	31,600	7.0%	7.0%	1,136	3,692	118.7	3
Average of Peers	6,849	318	1:21.9								962	3,305		
Median of Peers	6,458	329		36,750	30,100	26,000	21,400	30,800	7.6%	7.25%	949	3,385	119.8	3
ESU as Percent of Median				89.5%	94.7%	96.2%	--	93.2%					98.5	
FHSU as Percent of Median				90.6%	91.7%	92.7%	96.7%	89.9%						
PSU as Percent of Median				91.4%	97.7%	98.9%	95.3%	95.8%						

* Most frequently occurring professorial rank.

DATA SOURCES TABLES I THROUGH IV

Fall, 1986 FTE Students -- Obtained by telephone survey of higher education authority or legislative fiscal section in each state.

Number of Faculty -- Full-time continuous faculty (excluding graduate teaching assistants) whose major assignment is instruction. Totals include those with released time for research -- American Association of University Professors survey 1985-1986, "Academe," March-April, 1986.

Faculty to Student Ratio -- Computed value of two previous columns.

Average Salaries -- Contracted salary excluding summer stipends. All 12-month faculty converted to an academic year. American Association of University Professors survey 1985-1986, "Academe," March-April, 1986.

Employer-Employee Contribution -- Obtained by telephone survey of legislative fiscal section of each state.

Tuition and Fees -- Annual costs 1986 from survey of National Association of State Universities and Land Grant Colleges and the American Association of State Colleges and Universities.

Compensation as a Percent of Salary -- American Association of University Professors survey 1985-1986, "Academe," March-April, 1986. (Note: Percentage provides comparison of total fringe benefit package at respective universities.)

AAUP Rank -- "Academe," March-April, 1986. (Note: Ranks salaries at universities with 1 being the highest rank and 5 the lowest.) Table lists rank for most frequently occurring professorial title.

NOTES CONCERNING RETIREMENT SYSTEMS

Arizona. Employees have the option of participating in the state retirement system or an annuity program. In the state retirement program the employer and employee each pay 5.53 percent of salary. In an annuity program the employer and employee each pay 7.0 percent of salary.

Colorado. Most Colorado state employees do not participate in FICA. Although the contributions listed on these tables are higher than some other states, in many cases they are the total retirement contribution of the state. At the University of Colorado the faculty participate in FICA. The University of Colorado also participates in TIAA-CREF annuities. At Colorado State University, the state finances employee participation in the state retirement system. However, CSU faculty do not participate in TIAA/CREF or FICA. Individuals may participate in other annuity programs, but there is no university contribution. For purposes of computing the median of peers the Colorado contribution minus 7.15 (present annual FICA rate) was used.

Iowa. An annuity retirement program (i.e., TIAA-CREF) is utilized for all faculty at contribution rates noted.

Kentucky. The state's three larger universities (University of Kentucky, University of Louisville, and Northern Kentucky University) participate in TIAA-CREF, with a state contribution of 10.0 percent and employee contribution of 5.0 percent for most faculty. At the smaller state universities (Murry, Morehead, Eastern, and Western) faculty participate in the state teachers' retirement program. In the state teachers' retirement program, the employer contribution is 10.335 percent and the employee share is 5.905 percent.

Michigan. Michigan's three largest universities (Michigan State, and Wayne State) participate exclusively in annuity programs. At several other state universities, including Western Michigan, faculty have the option of participating in either the state retirement program or annuity programs. If they participate in the state program, total state contributions are 9.2 percent. If they participate in an annuity program, state contribution is 9.35 percent to the FICA maximum and 16.5 percent above the FICA maximum.

Missouri. In the University of Missouri system (Columbia, Kansas City, Rolla, and St. Louis), all employees, including faculty, participate in the state defined-benefit retirement program. During the present fiscal year, the state contribution rate is 8.4 percent of gross salary. There is no employee contribution.

Nebraska. Among faculty at the University of Nebraska, annuity programs, such as TIAA-CREF, are the single retirement program. The state contribution rate is 7.0 percent and the individual rate is 6.0 percent. Among Agricultural Extension employees, the state contributes 3.5 percent and individuals contribute 2.5 percent. At smaller state colleges (Chadron, Kearney, Peru, and Wayne), the state contributes 6.0 percent and individuals 6.0 percent.

New Mexico. Faculty members are a part of the state retirement program. The state and individual contributions are each 7.6 percent of gross salary.

North Carolina. Employees may participate in the state retirement program or an annuity. State and employee contribution rates are 6.0 percent, regardless of the program elected.

Ohio. Ohio finances its faculty in the state retirement program. Contribution rates are as listed in Table III.

Oklahoma. All employees participate in the state retirement program, in which the state contributes 9 percent and the individual 5 percent on the first \$25,000 of salary. Additionally, the larger institutions (Oklahoma University and Oklahoma State University) finance participation in annuity programs at the rates noted.

Oregon. Employees have the option of participating in the state program or an annuity program. If they participate in the state program, the employer pays 11 percent and the employee pays 6 percent. However, the employer finances the employee share as an additional fringe benefit, so the employer's share is effectively 17 percent. If an individual elects an annuity plan, both the employer and employee share is 6 percent; however, the employer finances the employee share as an additional fringe benefit.

Virginia. Individuals have the option of the state retirement program or an annuity program. In the state program the state contribution rate is 11.2 percent and the individual's rate is 5 percent; however, the state finances the individual's share as an additional benefit. In the annuity program the state rate is 12.84 percent, including a theoretical 5 percent employee contribution.

Washington. Employees participate in annuity programs at the benefit rates noted on the table. Washington also has a separate state appropriation to guarantee retirants with 20 years service at least 50 percent of their final ending salary.

Wisconsin. All state employees participate in the state retirement system. No provision exists for state participation in annuity programs. Statewide the employer contribution rate is 11.1 percent and the individual rate is 1.0 percent. At the University of Wisconsin-Milwaukee, the average rate was 9.5 percent in FY 1986. Participation rates vary by employee salary level.

D87-40.nts

5

TO: MEMBERS OF THE SENATE WAYS & MEANS COMMITTEE

FROM: Dr. Dan Kinney, President, Coffeyville Community College

SUBJECT: Senate Bill 183 to Repeal K.S.A. 74-2906

K.S.A. 74-2906 which creates a tax surcharge on gate receipts for athletic events in community colleges and universities results in a tax on scholarships. The tax would apply to actual gate receipts and all season ticket sales. The tax is scheduled to be effective July 1, 1987, and I would ask you to repeal that tax by passing favorably on this bill.

We can only fund athletic scholarships through private contributions and gate receipts. Therefore, this tax would place a burden on the scholarship funds of all the community colleges in Kansas.

At Coffeyville Community College, this tax would have totaled 5,333 dollars for the year ending June 30, 1986, which would have meant that nine scholarships would have been lost. These are scholarships which assist Kansas youth to attend college.

The Kansas Jayhawk Conference limits member colleges to five out-of-state athletes in basketball and ten out-of-state athletes in football so they are only a very small portion of the total number of scholarships given by each college.

You might be thinking why don't they just raise their admission prices and not be concerned. The answer is that athletics as entertainment is very competitive. We must keep prices in line with movie theaters and other community events of an entertainment nature.

In addition, attendance this year is lower than previous years because of the proliferation of televised athletics. We are facing increased difficulty in financing athletic programs as a result of the drop in attendance. This tax could compound those problems.

The desire to create an athletic hall of fame in Kansas is honorable. However, I would ask that another means--such as private contributions--would be a better way to finance such construction.

ATTACHMENT 5
3/19/87 SWAM



THE WICHITA STATE UNIVERSITY

Department of Intercollegiate Athletics • Campus Box 18 • Wichita, Kansas 67208

Lew Perkins
Athletic Director
(316) 689-3250

March 18, 1987

The Honorable Gus Bogina
Kansas State Senator
State Capitol
Topeka, Kansas 66612

Dear Senator Bogina:

I am writing to express our support of Senate Bill No. 183 that would repeal the 25 cent surcharge on athletic tickets scheduled to go into effect this year to fund a Kansas All-Sports Hall of Fame.

While we support the idea of establishing a statewide Hall of Fame to honor Kansas athletes, we are not in favor of the method of funding approved by the legislature last year. A 25 cent tax on athletic tickets will not be well received by our fans and will make the job of producing revenue for athletic departments more difficult.

In these difficult economic times, we feel it is our responsibility to find every method possible to make our athletic tickets more saleable. An increase in ticket prices, for whatever reason, will not help in that effort. The Wichita State University Athletic Association relies on ticket sales and general contributions to fund over 75 percent of its total budget.

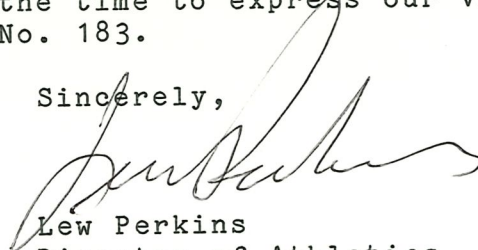
We have an athletic hall of fame at The Wichita State University that has been in existence since 1980. The Shocker Sports Hall of Fame is funded by a corporate sponsor, Pizza Hut, Inc., which has underwritten the costs of the Hall without damaging its credibility. Perhaps a combination of corporate sponsorships coupled with private contributions generated in a manner similar to that used by the United States Olympic Committee could result in a better method of funding for the Kansas All-Sports Hall of Fame. Such an effort of private fund raising would eliminate the need for the imposition of a tax on athletic ticket purchases that will be a burden for ticket buyers and the athletic departments that will have to implement this unnecessary funding method.

ATTACHMENT 6
3/19/87 SWAM

The Honorable Gus Bogina
March 18, 1987
Page 2

Thank you for giving me the time to express our views and I hope you will support Senate Bill No. 183.

Sincerely,



Lew Perkins
Director of Athletics

LP/rm

cc: Senator Merrill Werts
Senator Paul Feleciano
Senator David Kerr

Sen. Regina
RECEIVED MAR 18 1987 7

WINT WINTER, JR.
SENATOR, SECOND DISTRICT
DOUGLAS COUNTY
737 INDIANA
BOX 1200
LAWRENCE, KANSAS 66044



TOPEKA

SENATE CHAMBER

STATE CAPITOL, ROOM 120-S
TOPEKA, KS 66612-1594
(913) 296-7364

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BUILDING CONSTRUCTION
JOINT COMMITTEE ON SPECIAL
CLAIMS AGAINST THE STATE

LEGISLATIVE HOTLINE:
1-800-432-3924

M E M O R A N D U M

TO: Senate Ways and Means Committee
FROM: Senator Wint Winter, Jr.
DATE: March 17, 1987
RE: University fee release

Wint

Attached is an explanatory statement on the issue of fee release in the Universities. You will hear more about the fee release issue, but in case you needed any other information, I thought I would send this along.

Fee release issue is one of tremendous importance, both financially and psychologically at the University of Kansas.

I appreciate your time in reviewing this.

ATTACHMENT 7
3/19/87 SWAM

WHO CAN EXPLAIN THE FEE RELEASE ISSUE TO STUDENTS, PARENTS, FACULTY?

In most parts of our society success is rewarded. More business generates higher commissions. Greater yields produce more usable revenues to the farmer and his family.

When the University of Kansas succeeds in attracting more students, the school is put at a disadvantage. You might say the school is punished, and all the people associated with it.

No one is talking about this punishment and who takes it. Perhaps no one has talked about it because when the economy was better, it may have been an aggravation, affecting items that might be useful but not inherently essential to operate the institution. Today, the issue of fee release, coming as it does on top of other cuts, is harsh and punitive.

It is first of all the students who suffer. And how do they suffer? First of all they have a harder and harder time enrolling in classes they need to graduate because there have to be fewer sections. This can mean that freshmen or sophomores who want to take a freshman level psychology course or a speech course (both required for many degrees) cannot get into these courses. In psychology the student has the "chance" to enroll in one semester or another depending on his or her identification number: even in one semester, odd in the other.

In the speech communications class, it seems it could take many semesters to get into it, since 800 students were turned away from the 28 sections offered in spring 1987.

This is no way to run a major state university or to treat its students. The citizens of Kansas, if they knew about this sort of thing, should be embarrassed for their state. It is shameful.

The second way students suffer from the state playing what seems to be a silly game based on factions and posturings, is that courses are being down-graded. A freshman enrolled in a five-hour chemistry class in the spring semester 1987 is getting only one-half the laboratory experience he should get because there is not enough chemicals to have these students running the normal number of experiments.

At the graduate level, students in microbiology working on genetic combination, or conducting cell studies, among other things, have been denied the state of the art material to do tracer studies.

What will become of these students as they go into the real world or apply to technical labs in this country or abroad? Once word gets out about the minimal or cut-rate training these students are getting at KU today, no good company or institution will have our children. Kansas will become a sci-tech laughing stock.

Parents also suffer from this legislative gambit. We are simply not getting what we thought we were paying for. We enter into some sort of contract with the school we choose for our children. We and our children go and look at the school, examine the catalog, look at the requirements, assess the faculty, measure the costs. When we pay the tuition plus the other costs to send our sons and daughters to the University of Kansas, we expect the contract to be met. We do not expect teachers to come into the classroom on the first day and say there will be half as many labs, or the materials for research or other resources won't be available now.

We paid on time. Perhaps we do not pay the total cost at each stage of our child's education, but we did pay what was asked for, and we did not expect a down-sized education. If I pay my son's tuition at KU, I cannot understand why it is not allowed to be used at KU. Why would I send him to KU, pay my tuition dollars, then find out that my money is being shifted to Emporia State or to the general fund? If I wanted him at Emporia State, I would have sent him there.

Faculty suffer too. I am both a parent of a KU student and a faculty member. We on the faculty are probably punished or hurt more indirectly and sometimes it feels like we have a harder case to make. What I object to as a faculty member is being hampered in the services I deliver, that I am paid to deliver. KU is supposed to hire high-quality faculty. Once hired, a faculty member is expected to be not just a good teacher, but a very good to exceptional teacher. A faculty member is expected to do the sort of research that makes him or her a national,

even an international expert, and this brings credit to the individual and to KU. In addition, the faculty member is expected to serve the department, school or college, university, and the scholarly discipline or profession in which that member has been educated.

If a faculty member does not do these things, he is not promoted. It's as simple as that. And these promotions are taken seriously, measured carefully.

The cutbacks and the withholding of the fee-release may not affect my salary directly, but it has a great impact on how well I can do my job. If I do not have the resources, my teaching is weaker. If I do not have laboratory space and equipment or library materials, the research is narrow, more limited, weaker, even trivial.

When classes are cut, enrollment pressures increase. Class sizes are too large to do a really good job. I have less time for individual students, less time for service. The less visible the faculty in the professions and in national meetings, the less good it does for KU.

The issue of fee release, whether an inherited problem of an ill-conceived plan for budgeting higher education, or an on-going problem, needs immediate and full remediation. There is too much damage done already to too many people. The damage now seems limited to within the family, so to speak, but the word on Kansas will get out and that damage to the entire state will be greater and harder to control.

page 5/fee release

This matter is much more important a state issue than many students, parents, faculty, or legislators realize.

The sad thing in the whole matter is that the resolution to release the fees is blocked more on issues of face, on parochial self-interest, and because of outright stubbornness. The money is not that great an issue. It does appear that the release of fees has become an object lesson in who's got the power. And it is an irresponsible use of power against young people, against their parents, against a well-meaning faculty, and against one of the finer institutions in the State of Kansas.

STATE OF KANSAS

AUGUST BOGINA, JR., P. E.
 SENATOR, TENTH DISTRICT
 JOHNSON COUNTY
 13513 WEST NINETIETH PLACE
 LENEXA, KANSAS 66215-3337



TOPEKA

SENATE CHAMBER

COMMITTEE ASSIGNMENTS
 CHAIRMAN WAYS AND MEANS
 CHAIRMAN LEGISLATIVE POST AUDIT
 MEMBER GOVERNMENTAL ORGANIZATION
 LOCAL GOVERNMENT
 CEDAR CREST ADVISORY COMMISSION

March 19, 1987

Honorable Douglas S. Wright
 Mayor, City of Topeka
 215 E. 7th, Room 352
 Topeka, Kansas 66603

Dear Mayor Wright:

I want to assure you that my recent letter regarding the potential conflict of the operations of the Kansas Air National Guard at Forbes Field and any potential development of lands in the proximity of that operation was the result of and in response to instructions by the Senate Ways and Means Committee. That action was through a motion duly made, seconded and passed unanimously, and was the result of a subcommittee hearing and report regarding the appropriations for the operations of the Kansas Air National Guard.

I have no personal or political interests whatsoever in the question of the construction of a "raceway" in Topeka. I do take strong exception to the statement and inference that "-----your concerns with the raceway coming at this time were politically motivated and calculated to cause this project to be scrubbed in Topeka and built in your home county, Johnson County". I challenge anyone to come forward with any proof or any evidence that this is a factual statement. I will positively state that the opposite is the fact and that the accusation is a total falsehood. My sole interest in this matter is that I am representing the citizens of the state of Kansas to the best of my ability. I strongly resent false statements to the contrary.

Since your courtesies included providing a copy of your letter to the press prior to my having the opportunity to read the document, I will also release this letter to the press after it has been hand delivered to your office.

May we all fulfill our obligations to the citizens of Topeka and Kansas.

Sincerely,


 AUGUST BOGINA, JR., P. E.
 Senator, Tenth District

AB/ss

cc: Ways & Means Comm. Members
 Press

ATTACHMENT 8
 3/19/87 SWAM

CITY OF TOPEKA



Douglas S. Wright, Mayor
215 E. 7th Street Room 352
Topeka, Kansas 66603
Phone 913-295-3895

March 17, 1987

Senator August Bogina, Jr.
Chairman, Ways and Means Committee
Senate Chamber
State House
Topeka, Kansas

Dear Senator Bogina:

This letter acknowledges receipt of yours of March 12, 1987 in which you express to me the concern you and the Senate Ways and Means Committee share regarding the potential impact the Topeka International Raceway (Raceway) at Forbes Field may have on the continuing Kansas Air National Guard (KANG) operations at Forbes. I am pleased to have the opportunity to respond to you and the Committee and assure you of Topeka's commitment to the Air National Guard and our confidence that the Raceway can share the Forbes property with no negative impact whatsoever to the Air National Guard operations.

While Forbes Field is a civilian airport, there is no doubt that the Kansas Air National Guard with its' military presence is a major tenant. Since Forbes was decommissioned as an active Air Base, the Metropolitan Topeka Airport Authority has been responsible for the growth and development of the airport and they continually have turned first and most often to the Air National Guard for financial assistance in upgrading the airport property. We simply could not have built Forbes to its' current level without the support of the KANG and we look forward to the continuation of this strong and mutually advantageous relationship. At the same time, though, we believe it is prudent for the MTAA to build other strong relationships and develop other financially-viable tenants who can relieve the KANG and the citizens of the State of Kansas of the burden of being the "deep-pocket" when it comes time to make needed improvements at Forbes.

The Topeka International Raceway offers such an opportunity. The Raceway is a public project supported by the community and operated by the City of Topeka under a lease from the MTAA. We have no desire to jeopardize the KANG's \$30 million annual payroll and I believe public ownership of the Raceway will insure a continued sensitivity to the concerns you and your Committee have expressed. If the Raceway were privately owned or located on nearby private property, we could not guarantee that the KANG's concerns would be heard.

Allow me to address all of the specific concerns I have read and heard regarding the Raceway. It has been suggested that lights will be installed at the Raceway in order to allow for night racing. It is our intent that the Topeka International Raceway be the "Wrigley Field of Race Tracks." Wrigley Field, as you know, is the only major league baseball stadium without lights, although if some members of the Illinois Legislature get their way, lights will be installed. We have never had any plans to install lights at the Raceway and I would oppose any attempt by the Kansas Legislature or anyone else to require them to be installed.

It has been suggested that "rowdy, beer-drinking race fans" may jump the fence encircling the Raceway and get into the KANG's secure area. Please refer to the map of Forbes Field enclosed. As you can see, the Raceway will be built on MTAA property south of the runways. The KANG's area is generally the northwest corner of the Field and lies more than 1 1/2 miles from the closest portion of the Raceway. To get from the Raceway to the KANG area, a person will have to clear an 8 foot fence topped with three strands of barbed wire, then cross a runway, pass by the control tower, walk down the tarmac past the air terminal and still have over 1/2 mile to go to reach the KANG's airplane. If someone truly wanted to impair the KANG's security, it is illogical that they would start at the Raceway. It seems more likely to me that such a person would enter the Forbes property from US 75 or at Pauline or from one of the several bars located on Topeka Boulevard but closer to the KANG area than the Raceway.

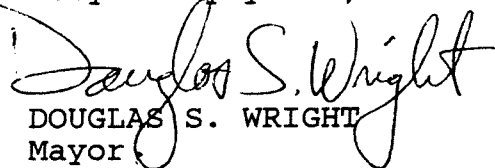
Nevertheless, rest assured that any time the public is in a City facility or on public property, security is a concern to me. We expect to have occasions when 30,000 people or more are at the Raceway and the City will be responsible for proper security. Again, I believe that public ownership of this facility will insure not only sensitivity to this concern but an adequate and prudent response.

It has been suggested that trash and debris may be carried by the prevailing south winds from the Raceway to the KANG area. We have anticipated this concern and we expect to be able to handle it. As you know, the Combat Air Museum hosts an annual Superbatics Air Show at Forbes Field which last year attracted 100,000 people over two days. Over Labor Day Weekend, Historic Topeka, Inc. hosted Railroad Days at Forbes Field and attracted 125,000 over three days. These events are held at the north end of Forbes Field and, in the case of Superbatics, the spectators carry their ice chests and picnic items out onto the tarmac a few hundred feet from the KANG area. As I mentioned previously, the Raceway will be entirely surrounded by chain link fence and, because the Raceway is totally enclosed and located at the south end of Forbes Field, we expect to control trash and debris better than is done at Superbatics or Railroad Days. Again, public ownership of the Raceway should assure that these concerns, if they arise, will be dealt with in a responsible manner.

We in Topeka have been developing the plans for the Raceway for nearly three years. We have reviewed our plans with General Tice and other officials of the KANG on several occasions. One year ago, for example, General Tice expressed concern to us because he understood the Raceway was planned for the north end of Forbes Field. When we again went over the Raceway plans with the General and assured him we wanted to locate the Raceway at the south end of the airport property, he seemed to be satisfied. It was with some surprise, then, that we heard his concerns voiced before your Committee two weeks ago. I have since visited with General Tice and he, like you, tells me he is neither for nor against the Raceway, he is for the KANG. As a citizen of Kansas, I appreciate the General's supportive attitude in favor of the KANG and I'm pleased to know he is not against the Raceway.

Senator Bogina, I appreciate you directing your concerns to me. The Raceway offers Topeka and Kansas a tremendous economic development opportunity. You must be aware that there are some Topekans who have suggested that your concerns with the Raceway coming at this time were politically motivated and calculated to cause this project to be scrubbed in Topeka and built in your home county, Johnson County. If there is any truth to this suggestion, I am concerned because we in Kansas cannot build up our State's economy by tearing down solid economic development proposals generated by our local communities which take the initiative to bring new job opportunities to Kansas. Because you have shared your concerns publically regarding this project, I am taking the liberty of releasing a copy of this letter to the local news media. Normally, I would not do this, but as you know, this issue and the concern you and your Committee expressed has generated a great deal of local interest. I believe I have been responsive to the concerns you raised and I again appreciate your interest and that of the Committee's.

Very truly yours,


DOUGLAS S. WRIGHT
Mayor

MEMORANDUM

March 18, 1987

TO: Senate Ways and Means Committee
FROM: Kansas Legislative Research Department
RE: Policies for Vehicle Replacement

The following information is in response to your request for information on policies of various state agencies regarding vehicle replacements.

1. Department of Administration

Vehicles (cars, vans, trucks) are replaced at 80,000 miles.

2. Board of Regents' Institutions

Vehicle replacement is based on the minimum mileage requirements used by the Department of Administration. The Board's policy allows exception to this minimum if a vehicle is determined to be no longer road-worthy, is economically infeasible to maintain, or is otherwise unsuited for the purpose for which it was originally intended. The policy also states that the minimum mileage requirement does not apply to vehicles confined primarily to campus use.

3. Kansas Highway Patrol

Vehicles are replaced at 85,000 miles or five years.

4. Kansas Department of Transportation

Passenger cars are replaced at 80,000 miles or seven years.

Pickup trucks are replaced at 140,000 miles or nine years. (The criteria for urban areas with a highly corrosive environment is six years.)

Vans and suburbans are replaced at 120,000 miles or eight years.

Medium-duty trucks are replaced at 160,000 miles or 11 years (eight years for urban areas).

Medium-duty motor graders are replaced at 20,000 hours or 20 years.

Bulldozers are replaced at 20,000 hours or 20 years.

vehicle.rh/jar

ATTACHMENT 9
3/19/87 SWAM