

Approved 4/30/87
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./~~p.m.~~ on March 30, 1987 in room 123-S of the Capitol.

All members were present except:
Senator Doyen on excused absence

Committee staff present:

Research Department: Ron Schweer, Gloria Timmer, Laura Howard, Scott Rothe,
Diane Duffy, Carolyn Rampey, Russ Mills, Robin Hunn, Julia Efird,
Ray Hauke, Paul West

Revisor's Office: Norman Furse, Jim Wilson

Committee Office: Judy Bromich, Pam Parker

Conferees appearing before the committee:

HB 2439 - FY 1988 Appropriations for Higher Education

Staff distributed and reviewed information regarding Systemwide Issues in Regents Institutions which included a summary, requested and recommended systemwide maintenance and program improvements, revised estimates of general fee fund resources, and a summary of university utility budgets for FY 1987. (Attachments 1, 2, 3, and 4 respectively)

In final recommendations concerning Systemwide Issues, by consensus the Committee decided the following: (1) concur with House recommendations on FY 1987 Recessions and Base Restoration and the KANS-A-N Supplemental Request, (2) in regard to Fee Release and Supplementation of Fee Shortfalls, the Committee recommends 75 percent fee release in FY 1987, concurs with the Governor's FY 1988 recommendation at Kansas University and adjusts FY 1987 and FY 1988 budgets in accordance with latest fee estimates, (4) in regard to Student Tuition, the Committee recommends the Board of Regents review and consider increasing non-resident tuition, (5) in regard to enrollment adjustment, the Committee concurs with the Governor's single year cycle in the Governor's corridors, and (6) Kansas Technical Institute is to be reviewed by the appropriate subcommittee.

In regard to Unclassified Salary Increase, Senator Talkington moved and Senator Werts seconded to recommend a one percent increase for a full year and concur with the House and Governor's recommendation of one percent in retirement contribution. During discussion, Senator Feleciano made a substitute motion, Senator Gannon seconded, to adopt the Governor's recommendation of 2.5 percent overall increase and one percent in retirement contribution. Senator Feleciano and Senator Gannon then amended the substitute motion to indicate 2.5 percent for six months for salary increase and agree with the one percent retirement contribution. Following further discussion, the motion carried.

By consensus, it was decided to ask the Board of Regents to look at differential concepts other states have in respect to retirement contributions. It was further suggested that the Regents evaluate the taxability of the Regents retirement plan.

In regard to Student Salaries, Senator Feleciano moved, Senator Gannon seconded, to amend the House recommendation to concur with the Governor's recommendation for a 2.5 percent increase for a full year. Senator Talkington made a substitute motion to recommend a 2.5 percent increase in student salaries for one-half year. The motion was seconded by Senator Werts. The substitute motion carried by voice vote.

In regard to Other Operating Expenditures, Senator Winter moved for a two percent increase, half to be distributed across the board and half distributed by peer base. Senator Feleciano seconded the motion. It was explained that this motion excludes KTI, KUMC, and KSU Vet-Med. The motion passed on a voice vote.

CONTINUATION SHEET

MINUTES OF THE Senate COMMITTEE ON Ways and Means,

room 123-S, Statehouse, at 11:00 a.m./~~p.m.~~ on March 30, 1987

A motion was offered by Senator Feleciano to recommend, in regard to OOE, one and one-half percent for Education program on a one time peer distribution basis. Senator Johnston seconded the motion. The motion passed on a voice vote.

In regard to Utilities, the Committee concurred in the decision to allow FY 1987 savings to lapse and adjust FY 1988 budgets by estimated changes using the latest utility estimates. In regard to Servicing of new buildings, the Committee concurred with the Governor in no funding for KU and KSU new buildings and requested a Governor's Budget Amendment on this matter.

Following a staff review of the Revised Estimates of General Fee Fund Resources, (Attachmwent 3) a motion was made by Senator Werts to allow adjustments for Kansas Technical Institute, Veterinary Medical Center, Kansas University Medical Center and Wichita State University for FY 1987. Senator Feleciano seconded the motion. The motion carried on a voice vote. Senator Werts moved, Senator Feleciano seconded, FY 1988 adjustments of general fee fund releases. The motion carried by voice vote.

Senator Harder moved, Senator Winter seconded, the introduction of bill draft 7 RS 1354, an act authorizing the city of McPherson to determine and change the use of certain public grounds within the city. The motion carried by voice vote.

Senator Johnston moved, Senator Feleciano seconded, the introduction of bill draft 7 RS 1384, an act concerning the permanent journals of the house of representatives and the senate. The motion passed on a voice vote.

Senator Winter moved, Senator Kerr seconded, the introduction of bill draft 7 RS 1383, an act concerning municipalities; relating to the issuance of bonds thereby and to the finances thereof; and, 7 RS 1353, an act relating to administrative rules and regulations of state agencies. The motion carried by voice vote.

The meeting was recessed until adjournment of the Senate later in the day.

GUEST LIST

COMMITTEE: SWAM

DATE: 3/30/87 AM

NAME (PLEASE PRINT)	ADDRESS	COMPANY/ORGANIZATION
Douglas Mays	Topeka	Securities Commission
STEVE WASSOM	✓	✓
Dr Lois R. Scibetta	Topeka	Ks Bd of Nursing
Terri Rosselot	Topeka	KSRIA
Martie Aaron	Lawrence	ASK
Henry Schwall		Sen Norvell's off
Dan E. Wokke	Topeka	Revenue
J. Bluff	Topeka	Budget
H. Duncan	Topeka	Ks DOR
M. Kemp		KUMC
John L. Myers	Topeka	Scientific Game
Mark C. Kalk	Topeka	HSK
Kent Bradley	Manhattan	KSU Student Govt.
Betty Rose	Topeka	Bd of Tech Prof
Marty Kennedy	Topeka	Budget
David B. Dallam	Topeka	DOB
Gary Bell	"	KU
Stanley Z. Kaplan	Topeka	Regents
Christopher Cox	Ways	CHANCELLOR Press International
David Walker	Ways	CPT
John Jay Holt	Topeka	ICISI
Gail Hamilton	Lawrence	KS N.O.W.
John A. Hill	TOPEKA	Disabled American Veterans
Dale L. Kerner	Lawrence	Kansas American Legion
Tom Alkin	Topeka	Sen. Johnston's office
Mike Johnson	Abilene	KSU
Don Mays	Pittsburg	PSU
John A. Dehan	Pittsburg	PSU
Mary Beakes	Pittsburg	FSJ
John Peter	Topeka	Enrichment
Charlene R. Ahlbeck	Topeka	Bd. Healing Arts
Sally Bunn		

House Appropriations
Systemwide Regents

Item & Page Reference	Gov's Recommendation	House Recommendation	Senate Recommendation

A. Financing Comparison No Decision Required			

B. FY 1987 Rescissions & Base Restoration (page 2-5)	Restore FY 1987 Rescissions, excepting utility rescissions	House concurred with restoring all rescissions except utilities	

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	1.5 percent salary increase for six months Concur with 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	1.5 percent salary increase for six months Concur with Gov on 2.5% off campus work study \$20,000 added to WSU's Off Campus Work Study	

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, KUMC, 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 reviewed budgets and restricted funds utilized when possible (Affected only KU, KSU, and WSU)	

Senate Ways and Means Attachment 1 3/30/87 a.m.

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Systemwide
Totals

Agency Request	KU	KSU	WSU	ESU	FHSU	PSU	Vet Med	K.U.M.C.	KTI	
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	140,800	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	
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	270,000	110,000	0	0	0	242,840	0	0	920,840
Total of Major Items										14,314,926

House 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)	498,802	485,972	227,590	89,765	83,266	92,761	28,317	289,969	13,432	1,809,874
Student Salary (2.5%)	13,084	11,783	9,660	5,708	5,966	3,905	734	5,153	306	56,299
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	533,214	419,838	232,872	85,817	97,338	110,275	33,958	346,437	17,999	1,877,748
Resident Salaries	0	0	0	0	0	0	0	222,566	0	222,566
Other Prog Improvements	178,947	156,695	124,477	0	0	0	242,840	0	0	702,959
Total of Major Items										8,719,098

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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SUMMARY OF UNIVERSITY UTILITY BUDGETS

FY 1987

Anticipated Savings (Shortfall)
Compared to Revised FY 1987 Governor's Recommendation
(General Use Only)

University of Kansas	\$ 110,233
Kansas State University	9,614
Wichita State University	(23,080)
Emporia State University	19,337
Fort Hays State University	26,398
Pittsburg State University	
Kansas Technical Institute	(4,266)
Kansas State University Veterinary Medical Center	14,428
University of Kansas Medical Center	261,515

Source: University revised estimates. Submitted to Board of Regents, Division of Budget, and Kansas Legislative Research Department.

Kansas Legislative Research Department
March 30, 1987

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