

Approved April 25, 1988
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 18, 1988 in room 123-S of the Capitol.

All members were present except:

Senators Doyen, Johnston, and Talkington who were excused

Committee staff present:

Research Department: Scott Rothe, Russ Mills, Lynne Holt, Diane Duffy,
Julian Efird, Gloria Timmer, Paul West

Revisor's Office: Norman Furse

Committee Office: Judy Bromich, Pam Parker

Conferees appearing before the committee:

INTRODUCTION OF BILLS

Senator Gannon moved, Senator Werts seconded, the introduction of the following bills:

7 RS 2755 - An act repealing K.S.A. 74-3308a and 74-3308b; concerning acquisition of land under fish and wildlife coordination act.

7 RS 2711 - An act authorizing certain state agencies to contract with and provide financial assistance to individuals enrolled in schools of nursing in exchange for such individuals agreeing to employment by such state agencies as provided in such contracts.

7 RS 2709 - An act concerning the health care provider insurance availability act; relating to full-time physician faculty employed by the university of Kansas medical center.

7 RS 1833 - An act concerning the construction defects recovery fund; relating to certain expenditures therefrom.

The motion carried on a voice vote.

HB 2685 - Appropriations for FY 1989, occupational and health professions licensing agencies and financial regulatory agencies.

Senator Kerr reviewed the Senate Subcommittee Reports on HB 2796 Supplemental Appropriations Bill and HB 2685 - FY 1989 Appropriations Bill. Senator Kerr moved, Senator Feleciano seconded, the adoption of the Senate Subcommittee Report on HB 2796 and HB 2685 pertaining to Sections 2 through 21. The motion carried on a voice vote.

Senator Feleciano moved, Senator Gannon seconded, to report HB 2685 favorably as amended. The motion carried on a roll call vote.

HB 2794 - Appropriations for FY 1989, state board of regents and higher education institutions. (Continuation of Systemwide Issues)

The Chairman reminded the Committee that a motion and second was still pending from the previous meeting. He noted that the information which the motion was based upon was erroneous. He had proposed that everyone move toward their peers at the same rate, but the calculation for the increase of salary and wages was not calculated in that manner, it was based on the recommendation of the House. Senator Winter stated

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS

room 123-S, Statehouse, at 11:00 a.m. ~~xxx~~ on March 18, 1988

that since the information was different, he would withdraw his motion from the previous meeting to approve Senator Bogina's proposal. Senator Werts withdrew his second.

Staff distributed copies of a revision of Senator Bogina's proposal for the Margin of Excellence. (Attachment 1) The Chairman noted that it is his intention to treat all of the universities in a uniform manner. There was further discussion regarding the recommendation to delete \$477,374 from the Wichita State University (WSU) new funding for the Margin of excellence salary and wage request as directed by the Board of Regents. In answer to a question, staff explained that in the corridor adjustment, disregarding the Margin of Excellence, the procedure for the adjustment to the base is identical between Kansas State University (KSU) last year and WSU this year with one the exception that WSU was directed to reallocate internally the equivalent of the one percent peerrelated corridor.

During discussion, Senator Winter pointed out that the foundation for a decision for appropriations recommendations relating to the Margin of Excellence has to be that nothing can be assumed for future years unless the program is funded through multiyear appropriations. He distributed information relating to (Attachment 2) his proposal to leave HB 2794 exactly as it is, leave the \$477,374 for WSU in the bill as well as the additional funds for Fort Hays State University and change the corridor formula to allow additional funding for growth. The Chairman expressed concern about a salary increase of 8.2 percent for non-student employees at a cost of \$362,000 due to the fact that there is no evident problem in hiring or retaining administrators employees due to salary levels. Senator Werts felt that if a different approach to peer parity is being considered, the policy relating to the corridor adjustment, as it relates to peer parity, should be suspended. The only thing being considered, as far as forcing peer parity, would be a Margin of Excellence increment for any given year.

Staff distributed copies of information relating to FY 1988 Utilities Expenditures. (Attachment 3) Based on this information, Senator Werts moved, Senator Gannon seconded, to adjust Committee recommendations made on March 17, 1988 regarding FY 1989 Utilities appropriations by recommending an increase of \$109,724 from the State General Fund for utilities supplements. The motion carried on a voice vote.

The Chairman announced that discussion concerning the Systemwide Issues would continue at the next meeting. The meeting was adjourned.

GUEST LIST

COMMITTEE: SENATE WAYS AND MEANS

DATE: 3/18/88

NAME (PLEASE PRINT) ADDRESS COMPANY/ORGANIZATION

Jim Snyder	TOPEKA	AFDA
Bill Hollenbeck	Pittsburg	PittStUmw
Doug Mays	Topeka	Sec. Commissioner
Larry Stephens	Emporia	ESU
Larry Gould	Hays	FHSU
Carolyn Mullenborg	Topeka	KSNB
Charlene Ahlert	Topeka	Bd. Healing Arts
Steve Wasson	Topeka	Office of Sec. Comm.
Dale Johanson	Hays	FHSU #1
Marty Kennedy	Topeka	Budget
Fred Sandmeyer	Wichita	Wichita State Univ
Ray Hauke	Topeka	Bd of Regents
Mutual Bldg	Wichita	WSU
Kirby L. Stegman	Topeka	DOB
Stacy R. Kypke	Topeka	Rights
Chris Graves	Topeka	ASK
Kon Pfleger, Jr	Hays	Fort Hays State
Ed Hammond	Hays	" " " "
Lennis Williams	Topeka	Dir. of Budget
Chip Wheeler	Topeka	Ks Medical Society

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ATTACHMENT 1
SWAM - 3-18-88

ATTACHMENT 1
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INSTITUTION	HOUSE REC MARGIN S & W	MARGIN S&W FUNDING SENATOR BOGINA	DIFFERENCE	MARGIN DOE FUNDING SENATOR BOGINA	TOTAL MARGIN FUNDING SENATOR BOGINA	DIFFERENCE HOUSE TO SENATOR BOGINA
KU	\$2,027,000	\$1,775,365	(\$251,635)	\$356,411	\$2,131,776	\$104,776
KSU	2,000,000	1,751,717	(248,283)	321,140	2,072,856	72,856
WSU	1,284,000	1,124,602	(159,398)	43,951	1,168,553	(115,447)
ESU	350,000	306,550	(43,450)	21,606	328,157	(21,843)
PSU	498,000	436,178	(61,822)	30,840	467,017	(30,983)
FHSU	602,000	527,267	(74,733)	65,373	592,640	(9,360)
	\$6,761,000	\$5,921,679	(\$839,321)	\$839,321	\$6,761,000	\$0

Note 1: Salary and Wage funding for Senator Bogina's recommendation does not include \$80,000 for extension agents, \$32,779 for unclassified physical plant staff, and \$249,168 for staff in the institutional support budget area.

Note 2: The recommendation deletes \$477,374 from the Wichita State University new funding for the Margin of Excellence salary and wage request as was directed by the Board of Regents and uses that funding plus the funds identified in Note 1 for program improvement funding. The funding is distributed proportionately to the program enhancement funding requests approved by the Board

Note 3: The funding for unclassified/salary parity is distributed to provide 87.57 percent of each institution's requested funding.

Note 4: The funding for the "DOE" portion of the request provides 18.5 percent of each institution's Mission-Related Targeted Investment request.

Assuming that the policy on the bottom of the corridor is to allow retention of the 1% to help reach peer funding, the same could be said about campuses gaining enrollment having to absorb the 1/2% on the upper side of the corridor.

To fund the 1/2% growth - \$1,250,000

KU	-	\$508,000
KSU	-	348,000
PSU	-	312,000
FHSU	-	27,000
ESU	-	56,000

The fee estimates for the current year alone for the six campuses are up \$1.1 million.

ATTACHMENT 3
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FY 1988 UTILITIES EXPENDITURES

	<u>Legislative Appropriation</u>	<u>Institution's Revised Estimate</u>	<u>Projected Surplus (Deficit)</u>
KU	\$ 5,568,119	\$ 5,511,000	\$ 57,119
KUMC	4,543,414	4,594,457	(51,043)
KSU	4,311,612	4,338,730	(27,118)
KSUVMC	862,072	808,402	53,670
WSU	2,635,186	2,705,352	(70,166)
ESU	702,419	717,006	(14,587)
PSU	923,808	967,636	(43,828)
FHSU	793,046	806,817	(13,771)
KTI	<u>113,853</u>	<u>113,853</u>	-
	\$20,453,529	\$20,563,253	\$(109,724)

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