

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.

The meeting was called to order by Chairperson Dave Kerr at 11:00 a.m. on FEBRUARY 12, 1998 in Room 123-S of the Capitol.

All members were present except:

Committee staff present: Alan Conroy, Legislative Research Department
Russell Mills, Legislative Research Department
April Holman, Legislative Research Department
Norman Furse, Revisor of Statutes
Michael Corrigan, Revisor of Statutes
Judy Bromich, Administrative Assistant
Ann Deitcher, Committee Secretary

Conferees appearing before the committee: Dr. Steve Jordan, Executive Director
KS Board of Regents
Dr. David Shulenberger, KU Provost
Paul Wilson of KAPE
Dan Stanley, Secretary of Administration
Leah Robinson, Research Department

Others attending: See attached list

RS 1906 **An act creating the transportation capital enhancement fund.**

The meeting was called to order and the chairman explained RS 1906, referred to as the state intra structure bank, an attempt by the Department of Transportation to capture Federal funding.

Senator Ranson moved and Senator Morris seconded the motion to introduce RS 1906 for discussion. The motion carried on a voice vote.

Leah Robinson, of the Research Department, spoke to the committee, explaining the Graduate Teaching Assistant/Graduate Research Assistant Health Insurance. (Attachments 1 & 2).

Next to testify was Dan Stanley, Secretary of Administration and a member of the Health Care Commission. (Attachment 3).

Secretary Stanley spoke of the question of whether the individuals in the position of Graduate Teaching Assistants are "employees" of the University of Kansas, and therefore "public employees" pursuant to K.S.A. 75-4322(a). The answer was determined to be "yes".

Asked if the legislature could change this ruling of the Public Employees Relations Board (PERB), Secretary Stanley said that they could.

Dr. David E. Shulenberger, Provost, University of Kansas spoke in support of the administrative regulation approved by the Kansas State Employees Health Care Commission on January 22, 1998 (K.A.R. 108.12). (Attachments 4 & 5).

Senator Kerr asked for an explanation of the employer contribution to a health care plan for those GTAs and GRAs who work at least 20 hours a week during the academic year or 750 hours over two consecutive semesters.

Dr. Shulenberger said this would be half time for nine months.

Senator Kerr pointed out that this was annualizing their hours even though they're not working them.

Dr. Shulenburger agreed that was correct but it was what the Health Care Commission decided. Since most of the GTAs and GRAs are nine month employees, they would prefer they not work more than half time during the year because they want them to finish their degrees and move on. The only way GTAs could be eligible is if that 750 hour threshold could be used.

Senator Kerr asked if this wasn't the same as saying that a half time person in this category only has to work 750 hours to receive the same status that anyone else has to work a thousand hours to achieve.

Dr. Shulenburger said that the request was made of the Health Care Commission that half-time employees, for nine months in the GPA and GRA category, be made eligible for health insurance. The Commission ultimately adopted just that.

Also handed out was a letter to the Health Care Commission from Dr. Shulenburger, James R. Coffman, Provost of Kansas State University and Bobby R. Patton, Vice President for Academic Affairs at Wichita State University. (Attachment 6)

Stephen Jordan, Executive Director of the Kansas Board of Regents, had an outline distributed regarding health insurance for graduate assistants. (Attachment 7).

Paul Wilson, Director of Labor Relations for KAPE, testified in favor of providing health care insurance to the GTAs of the Regents institutions. (Attachment 8).

It was pointed out that the Governor's budget includes funding which is not designated for GTA or GRAs pay increases. It goes into a pool which can be used either for hiring more GPAs and GRAs or provide higher pay for those already employed. It is the university's choice.

Dr. Shulenburger was asked if the cost of \$800 was for nine months of the state health care plan or nine months of the student plan. He answered that the model they would adopt if they were to offer the student plan state wide, would be similar to what exists at the University of Kansas and Kansas State University. That costs about \$800. His suggestion was that if they were to adopt the current plans in place, it would vary from institution to institution.

The meeting adjourned at 12:20 p.m.

The next meeting is scheduled for February 16, 1998

attach 1
2/12/98

Graduate Teaching Assistant/Graduate Research Assistant Health Insurance

The State Employee Health Care Commission, at its June 24, 1997 meeting, voted to move forward with the statutory procedures for consideration of a proposed regulation, K.A.R. 108-1-2. The regulation would provide for development of a student health care benefits component to the state health care benefits plan. In addition, the Commission, in a separate action which is contingent upon adoption of K.A.R. 108-1-2, voted to establish an employer contribution towards the purchase of the student health care benefits component in the case of Graduate Teaching Assistants (GTAs) and Graduate Research Assistants (GRAs) who are appointed to more than half-time positions.

The issue arose as an outgrowth of an October 1994 ruling by the Public Employees Relations Board (PERB) which recognized University of Kansas GTAs as employees with the right to be represented in the "meet and confer" process, which includes the issues of salaries and benefits. The Commission believes that the duties of GTAs and GRAs at all Regents institutions are sufficiently similar to be treated in the same manner.

The Commission's research indicated that the typical practice in other states is for the University employer to provide a contribution for a student plan rather than making GTAs and GRAs eligible for the regular state employee plan. This caused the commission to then explore the option of negotiating a statewide health care benefits component that would be available as an option to all students at each of the Regents institutions. Currently, each institution negotiates its own student plan. According to the commission, a statewide plan would be voluntary and students could choose between the statewide negotiated plan or the existing plan offered by their respective institutions.

In anticipation of the adoption of K.A.R. 108-1-2, and the establishment of an employer contribution toward the purchase of the student health care benefits component in the case of GTAs and GRAs, the Board authorized the Regents institutions to seek funding to cover the projected cost of the contributions. Those amounts are reflected in the table below.

University of Kansas	\$	503,663
University of Kansas Medical Center		39,147
Kansas State University		417,836
KSU-Extension Systems and Agriculture Research Programs		100,056
Wichita State University		173,478
Emporia State University		89,100
Pittsburg State University		64,800
Fort Hays State University		32,906
TOTAL	<u>\$</u>	<u>1,420,986</u>

In most instances, to stay within the enhancement allocations provided by the Board, most institutions were required to reallocate funding from other requested enhancements to cover the cost of this item. Subsequent to submission of the institutional budgets, the Board of Regents, at its January 22, 1998 meeting, authorized Fort Hays State University to exclude this item from its enhancement request because there are no GTAs or GRAs appointed to a half-time or greater appointment. With that deletion, the systemwide total would be reduced to \$1,388,080. The Governor's budget recommendation to the Legislature did not recommend funding for this purpose.

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Attachment 1

Attachment 2
2/12/98

Effect of GTA/GRA Health Insurance Requests on Other Institution Enhancement Requests

	Original Request to Board	Request to Gov. and Legislature	Difference
University of Kansas			
GTA/GRA Health Insurance	\$503,663	\$503,663	\$0
Kansas Geological Survey Enhancement	150,000	150,000	0
Salary Compression Enhancement	459,337	459,337	0
Subtotal - KU	1,113,000	1,113,000	0
University of Kansas Medical Center			
Center of Health in Aging	378,000	356,500	(21,500)
Alzheimer's Disease Program Center	200,000	182,353	(17,647)
Women's Health Center	50,000	50,000	0
GTA/GRA Health Insurance	0	39,147	39,147
Subtotal - KUMC	628,000	628,000	0
Kansas State University - Main Campus			
Mediated Instruction/Distance Learning	773,000	355,164	(417,836)
GTA/GRA Health Insurance	0	417,836	417,836
Subtotal - KSU	773,000	773,000	0
KSU - Extension Systems and Ag. Research			
Western Kansas Irrigation Study	181,000	181,000	0
Cooperating Ext. Service Technology Plan	110,000	9,944	(100,056)
GTA/GRA Health Insurance	0	100,056	100,056
Subtotal - ESARP	291,000	291,000	0
KSU - Veterinary Medical Center			
Anesthesia Equipment for Student Labs	93,000	93,000	0
Wichita State University			
Physician Assistant Program	268,331	207,669	(60,662)
Midwest Criminal Justice Research Inst.	207,669	94,853	(112,816)
GTA/GRA Health Insurance	0	173,478	173,478
Subtotal - WSU	476,000	476,000	0
Emporia State University			
Distance Learning	203,000	113,900	(89,100)
GTA/GRA Health Insurance	0	89,100	89,100
Subtotal - ESU	203,000	203,000	0
Pittsburg State University			
Faculty Development	222,000	157,200	(64,800)
GTA/GRA Health Insurance	0	64,800	64,800
Subtotal - PSU	222,000	222,000	0
Fort Hays State University			
Physical Therapy Program	201,000	168,094	(32,906)
GTA/GRA Health Insurance	0	32,906	32,906
Subtotal - FHSU	201,000	201,000	0
GRAND TOTAL	\$4,000,000	\$4,000,000	\$0

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Attachment 2

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**Testimony To The
SENATE WAYS AND MEANS COMMITTEE
By Dan Stanley
Secretary of Administration
February 12, 1998
K.A.R. 108-1-2**

Mr. Chairman:

I am here today in my capacity as a member of the Health Care Commission to testify on the newly adopted K.A.R. 108-1-2. This regulation provides for the creation of a student health insurance component to the state health care plan and authorizes an employer contribution towards the purchase of this insurance for state employees who are at least half time Graduate Teaching or Graduate Research Assistants. A minimum of 750 hours over two consecutive semesters are required to meet this eligibility.

Prior to the Public Employees Relations Board (PERB) ruling in October, 1994, Graduate Teaching Assistants at the University of Kansas were considered only as students and not employees of the state. This was true for all Graduate Teaching and Research Assistants at all of the Regents institutions. However, the PERB ruling granted the University of Kansas GTA's bargaining rights under PEERA, the statute governing the state's labor relations, giving them full standing to "meet and confer", the process by which bargaining units of state employees negotiate wages and benefits. Thus the question of whether the individuals in the position of Graduate Teaching Assistants are "employees" of the University of Kansas, and therefore "public employees" pursuant to K.S.A. 75-4322(a) was determined to be "yes."

Again, prior to this ruling, Graduate Teaching Assistants were, by regulation not allowed to participate in the state of Kansas Health Benefits Plan because they did not meet the requirement of being an employee. The PERB ruling effectively gave them employee status thus allowed them to be considered for health insurance.

Research indicated that an employer contribution for health insurance is offered to Graduate Teaching and Research Assistants in some other states. In Kansas, by statute, the Commission is the only entity allowed to purchase health insurance for employees. Assuming that the GTA's are state employees and coupled with the fact that by statute the Commission is the only entity with authority to purchase health insurance for employees, the Commission has jurisdiction over the matter of any health insurance provided.

The practice in other states for the employer to provide a contribution for a student plan rather than making the GTA's and GRA's eligible for their regular state plans caused the Commission to explore the concept of negotiating a statewide student plan available as an option to all students at each of the Regents institutions as a vehicle with some interesting advantages. Currently, each institution negotiates its own student plan, having a wide range of benefits and costs, and utilizing different methods to provide services. Some use the student health centers, some do not. By negotiating a statewide plan, the Commission could use the greater volume of

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Attachment 3-1

business to negotiate better benefits for a better cost. Such a plan would be voluntary. Students could choose to participate in the plan negotiated by the state, the existing plan offered by their respective institution, any other plan available to them or none at all.

In all candor, this issue surfaced as an outgrowth of the PERB ruling regarding the GTA's at the University of Kansas. The question of how broadly or how narrowly to interpret the PERB ruling is the subject of legitimate debate. However, I will note that this ruling was based on the information provided by those individuals regarding their duties and responsibilities. These duties and responsibilities are quite similar if not identical for GTA's at any of the Regents institutions and for the research assistants as well. The Commission believed that it is reasonable to assume that individuals performing similar or identical duties and responsibilities should be treated in the same manner and therefore proposes that these benefits would be provided to all GTA's and GRA's so long as they met established criteria.

Current statute provides little on no flexibility. K.S.A. 75-6508 (a) (1) states: "Each state agency which has on its payroll persons participating in the state health care benefits program shall pay from any moneys available to the agency for such purposes an amount specified by the Kansas state employees health care commission..." As you can see, the language is not permissive; it requires agencies to make the contribution. The question of employee status is critical to this issue.

On January 22, 1998, the Health Care Commission approved K.A.R. 108-1-2 following a lengthy review and hearing process. This regulation empowers the Health Care Commission to negotiate, contract, and offer a voluntary student health insurance plan at each of the Regents institutions. As to the issue of an employer contribution for GTA's and GRA's, the Commission voted to extend eligibility to "students who are state employees and are enrolled in the student health care benefits component of the state health care benefits program..." and that they "...shall be eligible for an employer contribution towards the cost of such coverage.....the employer contribution shall be in an amount determined by the commission after such a plan has been established." The eligibility criteria for this contribution is specifically limited to GTA's or GRA's meeting a minimum of 750 hours over two consecutive semesters that is the equivalent to 1,000 hours if extrapolated to an entire one-year period. Thus in the case of GTA's and GRA's the 1,000 hour threshold for full time employees is adjusted to recognize the academic year.

Allow me to summarize the logic that the Commission followed in deciding this matter. Should the state consider leveraging the entire pool of students of all the Regents institutions to negotiate and offer a voluntary student health insurance plan? This is the thrust of the proposed regulation. Are the GTA's and GRA's employees of the Regents institutions? If as the PERB ruled in the case of KU GTA's they are, should they be eligible for some form of health insurance benefit? In this case, the Commission ruled that they would be extended eligibility for an employer contribution for the student option of a state plan if developed. This approach is consistent with that of other states and is the most cost effective.

I would be pleased to stand for questions.

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GRADATE TEACHING ASSISTANT

State Expenses for Health Benefits

<u>Facility Name</u>	<u>Member Count</u>	<u>Months</u>	<u>State Cost</u>
Kansas State	1,511	9	\$452,200
University of Kansas	1,139	9	\$340,800
Wichita State	517	9	\$154,700
Emporia State	179	9	\$ 53,565
Pittsburg State	99	9	\$ 29,625
Fort Hays State	183	9	<u>\$ 54,760</u>
TOTAL	3,628		\$1,085,650

Assumptions:

3,628 GTA's and GRA's eligible to participate

Premium cost not to exceed most expensive student plan currently offered \$840

Participation rate would be the same as employee group (95%)

50% employer contribution

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The 1996 University of Kansas GTA Survey
 Selected Highlights of Survey Results

- Twelve of the 21 institutions of higher education receiving the survey responded, resulting in a response rate of 57 percent.
- Of the 12 responding institutions, 5 were from the Big 12, 5 from the Big 10, and 2 from other conferences.
- Of the 12 responding institutions, 6, or 50 percent, pay at least part of the health care premiums for GTAs. The table below identifies the institution, the GTA representation body(if any), and what health coverage is paid for by the institution:

Indiana	Association	80% of the premium for the GTA only
Iowa State	(None)	100% of the premium for the GTA only
Michigan State	(None)	100% of the premium for the GTA only
Oregon	Union	100% of the premium for the GTA only
Texas A&M	(None)	100% of the premium for the GTA only
Wisconsin	Union	100% of the premium for the GTA, spouse, and dependents

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APPROVED BY FDL

1997 REG 10 9-5
**PROPOSED REGULATION OF THE
KANSAS STATE EMPLOYEES HEALTH CARE COMMISSION**

108-1-2. Student health care benefits plan. (a) Each student shall be eligible to participate in the student health care benefits component of the state health care benefits program. Eligibility and participation shall be subject to terms, conditions, limitations, exclusions, and other provisions established by the commission. Participation in the student health care benefit component shall be voluntary.

(b)(1) "Commission" means the Kansas state employees health care commission.

(2) "Student" means any individual who is enrolled in one of the regents institutions, who is not eligible for coverage under K.A.R. 108-1-1, and who meets any criteria established by the commission regarding the minimum number of hours of course work in which the individual must be enrolled or similar reasonable provisions related to the individual's status as a student.

(3) "Regents institution" means a state educational institution as defined in K.S.A. 76-711, as amended.

(c) Each student participating in the student health benefits component shall pay the costs of the coverage on a direct bill basis, except that if the student is employed by the regents institution in which the student is enrolled, the student may be authorized or required by the commission to make these payments through periodic payroll deductions.

(d) Any student enrolled in the student health care benefits component of the state health care benefits program may enroll a spouse and eligible dependent children, subject to the same conditions and limitations that apply to the person enrolled in accordance with this regulation.

(e) Each student who is a state employee and is enrolled in the student health care benefits

ATTORNEY GENERAL *swgm*
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Attachment 4

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APPROVED BY FDI. K.A.R. 108-1-2
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component of the state health care benefits program shall be eligible for an employer contribution toward the cost of this coverage if the student is in at least a half-time graduate teaching or graduate research position or combination thereof, which requires a minimum of 750 hours over two consecutive semesters and is equivalent to 1,000 hours for an entire one-year period. The employer contribution shall be in an amount determined by the commission after the plan has been established.

(f) This regulation shall take effect July 1, 1998, and shall be applicable to the student health care benefits component established by the Kansas state employees health care commission on or after this date. (Authorized by and implementing K.S.A. 75-6501 and 75-6510; effective P-

_____.)

Document Number: 12388

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ATTORNEY GENERAL

DEC. 15 1997

APPROVED BY *gjm*

Attached
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**Testimony to the
Senate Ways and Means Committee**

**Subject:
Employer Contribution to a Student Health Care Benefits Plan
for Graduate Teaching Assistants and Graduate Research Assistants who
meet Criteria Established by the Health Care Commission**

**David E. Shulenburg, Provost
University of Kansas, Lawrence**
February 12, 1998

Mr. Chairman:

I am here on behalf of the University of Kansas to support the administrative regulation approved by the Kansas State Employees Health Care Commission on January 22, 1998 (K.A.R. 108.1.2). The regulation provides for establishment of a student health care benefits component of the state program. It also makes graduate teaching assistants (GTAs) and graduate research assistants (GRAs) who work at least 20 hours per week during the academic year eligible for an employer contribution towards the cost of such a plan.

I ask the Senate Ways and Means Committee to support the Board of Regents legislative budget request for a FY99 allocation that would cover the anticipated employer contribution towards the plan for GTAs and GRAs whose positions are funded from State resources.

The following information may provide some helpful background about the somewhat unique position of the University of Kansas, Lawrence, and may assist the committee as it evaluates this funding request.

Traditionally, the University of Kansas had viewed graduate teaching assistants and graduate research assistants primarily as students rather than employees. In 1992, the Kansas Association of Public Employees (KAPE) filed a petition with the Kansas Public Employee Relations Board asking that PERB determine that graduate teaching assistants and graduate research assistants at the University of Kansas, Lawrence, be certified as a unit for the purpose of meeting and conferring about the terms and conditions of employment. KAPE later dropped the graduate research assistants from the petition.

A PERB hearing officer held hearings in September of 1993. In October of 1994, the hearing officer issued an order finding that GTAs are within the coverage of the Public Employee-Employers Relations Act (PEERA). In November of 1994, the hearing officer issued a unit determination order finding that GTAs should be certified as a unit under PEERA. In April of 1995, a representation election was held and GTAs at the KU Lawrence campus elected KAPE as their exclusive representative for the purpose of discussing terms of employment. Under Kansas law, wages and benefits such as health care are included in "terms of employment."

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On August 1, 1996, KAPE sent a request to begin meet-and-confer sessions over GTA conditions of employment. Meet-and-confer sessions between KAPE, KU, and the Department of Administration began on September 10, 1996, and concluded on June 26, 1997. The memorandum of agreement was ratified by GTAs who are KAPE members on September 30, 1997, was subsequently approved by the Chancellor, the Board of Regents, and the Secretary of Administration, and became effective on November 1, 1997.

Throughout the meet-and-confer sessions, it was clear that the provision of an employer contribution to an affordable health care benefits program was of paramount importance to graduate teaching assistants at KU. Kansas statute gives the State Employees Health Care Commission sole authority to develop, implement, and administer health care benefits programs for employees. The new administrative regulation adopted by the HCC offers a way of providing an employer contribution to an affordable and accessible health care plan for our GTAs and GRAs and those at other Regents institutions.

Most undergraduate students at KU are under the age of 23 and are eligible for health benefits coverage as "dependents" under their parents' insurance plans. This is not the case for GTAs and GRAs. They are adults, many of whom have given up full-time employment and returned to the University for advanced academic work. This year, the average age of KU GTAs is 29.6 years; the average age of our GRAs is 28.9. A number of them have dependents of their own and thus have additional needs for basic health care coverage. At the same time, because they are half-time employees, their ability to purchase health insurance is limited by fiscal considerations.

The new administrative regulation adopted by the Health Care Commission will enable the University of Kansas to make an employer contribution to an affordable basic health care benefits plan for those GTAs and GRAs who work at least 20 hours a week during the academic year (750 hours over two consecutive semesters or 1000 hours for an entire one year). We believe that development of a student health care component of the state health care plan is preferable to including GTAs and GRAs in the existing state employees plan, which because of the 60-day waiting period and significantly higher premiums, is not well suited to this population. In fact, the graduate students with whom we have worked over the past year have indicated that they are generally well satisfied with the student health care policy currently available to KU students.

During the current academic year, some 800 graduate students are appointed half-time or more to state-funded positions as GTAs and GRAs on the Lawrence campus of the University of Kansas. Nearly all of these are GTAs, most of whom are on nine-month appointments. In our FY 99 legislative budget request, we estimated the cost of the annual student health care insurance premium at \$900. We further estimated a 75% employer contribution, as that is the contribution level for other state employees who are appointed to half-time positions. Our

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Testimony, Senate Ways and Means Committee
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estimate of the State cost for this contribution was just slightly over half a million dollars--
\$515,700.

Most graduate research assistants are supported from external grants and contracts, and the "employer" portion of the health care benefits premium for this group would not come from the state appropriation, but from the external source of the grant or contract.

The availability of an affordable basic health benefits plan for GTAs and GRAs and the ability of our institution to contribute to the cost of such a plan is becoming a significant factor in our ability to recruit outstanding graduate students. In the fall of 1996, the University of Kansas surveyed 21 large public universities to gather information about policies affecting GTAs. Twelve universities (57%) responded. Six of those institutions indicated that they pay at least a portion of the health care costs for GTAs; five of the six pay 100% of the premium cost.

Thank you. I would be pleased to answer any questions.

attach 2/12/98

The University of Kansas

Office of the Provost

October 24, 1997

Health Care Commissioners
Kansas State Employees Health Care Commission
Department of Administration
900 S.W. Jackson, Room 951-S
Landon State Office Building
Topeka, Kansas 66612-1251

Dear Commissioners:

We write on behalf of the University of Kansas, Kansas State University, and Wichita State University to voice support for the proposed regulation (K.A.R. 108.1.2) that would provide a student health care benefits component of the state program. We also strongly support the companion motion, approved by the Commission on June 24, 1997. That motion would make graduate teaching assistants (GTAs) and graduate research assistants (GRAs) who work at least 20 hours per week during the academic year eligible for an employer contribution towards the cost of such a plan.

GTAs and GRAs at KU, KSU, and WSU provide valuable service to their universities and to the State, contributing significantly to both the teaching and research missions of the institutions. Like their colleagues at other research universities across the nation, they play an integral role in ensuring academic continuity, working with today's undergraduate students while they expand and refine the intellectual skills that will make them the academic and professional leaders of the future.

Unlike the majority of undergraduate students, most GTAs and GRAs are beyond the age at which they would be eligible for health benefits coverage as "dependents" under their parents' insurance plans. A number of them have dependents of their own. At the same time, because most are half-time employees, their ability to purchase health insurance is limited by fiscal considerations.

We seek a regulatory change which would enable the University of Kansas, Kansas State University, and Wichita State University to make employer contributions to an affordable basic health care benefits plan for GTAs and GRAs who work at least 20 hours/week during the academic year. The regulation proposed by the Health Care Commission, in conjunction with the motion adopted on June 24, will accomplish that objective. We believe that development of a student

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health care benefits component of the state health care plan is preferable to including GTAs and GRAs in the existing state employees plan, which because of the 60-day waiting period and significantly higher premiums, is not well suited to this population.

During the 1996-1997 academic year, 1579 graduate students were appointed to salaried student positions (GTAs and GRAs) on the Lawrence campus of the University of Kansas. At Kansas State, the number was 1278; at Wichita State, 429. The numbers for the current year are similar, and we expect them to remain essentially constant. Thus, we are supporting a regulation change that potentially would affect approximately 3290 graduate students at our three institutions.

The availability of an affordable basic health benefits plan for GTAs and GRAs and the ability of our institutions to contribute to the cost of such a plan is becoming a significant factor in our ability to recruit outstanding graduate students. In the fall of 1996, the University of Kansas surveyed 21 large public universities to gather information about policies affecting GTAs. Twelve universities (57%) responded. Six of those institutions indicated that they pay at least a portion of the health care costs for GTAs; five of the six pay 100% of the premium cost. Clearly, Kansas institutions of higher education must work towards offering similar benefits if they are to remain competitive in recruitment of graduate students.

The Kansas Board of Regents is aware of this need. At its June 1997 meeting, the board agreed to make funding for an employer contribution to a health care plan for GTAs and GRAs a part of its systemwide FY 1999 budget request to the Legislature. Accordingly, we have included in our legislative budgets for FY99 a request for funding that would cover 75% of the cost of a health benefits program for GTAs and GRAs. In preparing our requests, we used the cost of the student health insurance policies currently available to students on our campuses as a benchmark. We also reviewed the policies and practices that govern insurance coverage for other state employees and took a similar approach in developing our estimates. Thus, because the current state employee plan covers three-fourths of the cost for employees appointed half time, we assumed a similar percentage for student salaried employees.

As you know, at present, each of the Regents institutions negotiates its own student health care benefits plan, tailored to the specific needs of its students and the health services the institution provides. Some of our colleagues have voiced concern that a statewide student health plan might not meet the needs of students as well as the plans currently in place. However, it is our understanding, from the information published in the Kansas Register of August 21, 1997, and the September 16, 1997 "Economic Impact Statement" prepared by the HCC, that the statewide plan would not replace existing institutional plans. Instead, the availability of a state plan would offer students another choice. We support that goal.

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If the University of Kansas, Kansas State University, or Wichita State University can provide any information that would assist the Commission in reaching a decision, please let us know. We view this as an important matter and would be happy to provide additional information.

Sincerely,



David E. Shulenburger
Provost
University of Kansas



James R. Coffman
Provost
Kansas State University



Bobby R. Patton
Vice President for Academic Affairs
Wichita State University

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Attachment 6-3

*Attach 7
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**OUTLINE OF REMARKS TO
SENATE WAYS AND MEANS COMMITTEE**

**by
Stephen M. Jordan,
Executive Director of the Kansas Board of Regents**

**Regarding Health Insurance for Graduate Assistants
February 12, 1998**

I. Introduction.

1. Each university budget (except FHSU) includes a request for Health Insurance for Graduate Teaching Assistants (GTA's) and Graduate Research Assistants (GRA's).
 - a. The item is in the enhancement budget of the universities.
 - b. Present estimates of system wide costs are \$2.1 million.
 - Of which \$1.4 million State General Fund and \$.7 million Restricted Use.
 - c. This estimate is based upon approximately 3,200 eligible individuals.
 - State providing 75 percent of student health insurance cost.
 - Individual providing 25 percent of student health insurance cost.
 - Estimate based upon individual coverage, not dependent coverage.
 - Estimates by university (Attachment I), must be considered preliminary.
 - Actual amounts to depend upon - final student health policy - final requirements of Health Care Commission.
2. Basic issue is whether to treat them as students, who traditionally have not been eligible for health insurance benefits.
3. Or treat them part time employees, who have received health insurance benefits, if appointed .5 FTE or more.
 - The employees involved in this issue are appointed .5 or more. (FHSU GTA's and GRA's have a maximum .4 appointment).

II. The Influence of Health Care Commission.

1. What may eventually occur is a complex situation, involving the budgetary recommendations of the Governor and Legislature,
 - And the regulatory influence of the State Employee Health Care Commission, which negotiates health insurance rates for state employees.

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Attachment 7-1*

2. For many years the State Employee Health Care Commission has not negotiated student health insurance.
 - a. Universities have offered student health insurance
 - individually negotiated with various carriers.
3. Previous regulations of Commission specified that students were not eligible for state employee health insurance.
4. At its June 23, 1997 meeting the Health Care Commission adopted a proposed regulation specifying that it would negotiate a student health care plan, to be **voluntary** among students.
5. The Commission also adopted a motion specifying that participating students, who are state employees as defined by the Commission, **shall be eligible for an employer contribution toward the cost of coverage, if the student is at least a half time graduate teaching or research assistant.**
6. Therefore, the Commission's activities were voluntary for the student but provide a **mandatory** institutional participation for GTA's and GRA's.

III. The University of Kansas Request.

1. The Subject of Health Insurance has been an important one to the graduate teaching assistants at the University of Kansas.
 - a. The Graduate teaching assistants have been determined to be a bargaining unit by the Public Employee Relations Board.
 - b. This status permits them to bargain on conditions of employment, of which health insurance is a permissible bargaining issue.
2. As a part of its negotiations with the bargaining unit, the University had agreed to include a request for GTA health insurance in its budget request.
3. It also made the decision that it was in the best interests of the university to include similar funding for GRA's.

IV. Board Activities to Date.

1. The Board of Regents learned of the mandatory nature of the Commission's action only a few days immediately prior to its June 26, 1997 meeting.
 - a. At that point many details were unresolved related to the Commission's recommendations.

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- b. Staff of the Commission met with the Board's Budget Development and Tuition Committee.
 - c. The Board was informed that the Commission's action included GRA's.
2. At its June 26 meeting the Board received requests for program enhancements from each of the universities.
 3. The University of Kansas request included an enhancement to provide health insurance for graduate teaching assistants and graduate research assistants.
 - a. The enhancement request from the other institutions did not include such a proposal.
 4. Because of the mandatory nature of the June 23 Health Care Commission recommendations, the Board decided to recommend that each institution include GTA/GRA health insurance in its request.
 - a. To be a part of the enhancement request.
 - b. The Board did not increase its initial \$4.0 million limit on general program enhancements.
 - This caused the institutions to reduce their request for other new items to include health insurance.

V. Present Status.

1. The Health Care Commission approved its regulation to establish a voluntary program for students and mandatory program for GTA's and GRA's on January 22, 1998.
2. A copy of the approved regulation is attached (Attachment II).
 - a. Many of the details remain unresolved.
 - What percentage of student health insurance costs the Commission will recommend be financed by employer contribution.
 - An issue presently unresolved.
 - Whether the Commission will recommend coverage for the nine-month school year or the entire year.
 - Whether the Commission will recommend dependent coverage.
 - Present understanding that they will not.

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Attachment 7-3

3. The Board is fully supportive of KU's need to fund GTA health insurance pursuant to the PERB ruling and subsequent bargaining with the GTA's.
 - a. The Board is concerned about the mandatory nature of the Health Care Commission's motion for all GTA's and GRA's that meet the .5 appointment criteria.
 - b. The Board is cognizant of the interest that KSU and WSU have in GTA and GRA health insurance due to the similarity of mission of those institutions to KU.

4. Concern if the institutions required to absorb unfunded mandate.

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Attachment 7-4

**FY 1999 FUNDING REQUEST
FOR GTA/GRA HEALTH INSURANCE COVERAGE**
(Presumes staff on 9 mo appointments receive full year coverage)

	Months of		Monthly	State	Total	Funding Source	
	Participation	Number				Rate	Participation
KU							
GTAs -12 mo	12	150	\$75.00	75%	\$99,121	\$88,996	\$10,125
GTAs - 9 mo	12	646	\$75.00	75%	\$426,925	\$381,700	\$45,225
Subtotal - GTAs		796			\$526,046	\$470,696	\$55,350
GRAs -12 mo	12	408	\$75.00	75%	\$274,617	\$32,967	\$241,650
GRAs -9 mo	12	0	\$75.00	75%	\$0	\$0	\$0
Subtotal - GRAs		408			\$274,617	\$32,967	\$241,650
Grand Total		1,204			\$800,663	\$503,663	\$297,000
KUMC							
GTAs -12 mo	12	60	\$75.00	75%	\$39,147	\$39,147	\$0
GTAs - 9 mo	12	0	\$75.00	75%	\$0	\$0	\$0
Subtotal - GTAs		60			\$39,147	\$39,147	\$0
GRAs -12 mo	12	35	\$75.00	75%	\$21,144	\$0	\$21,144
GRAs -9 mo	12	0	\$75.00	75%	\$0	\$0	\$0
Subtotal - GRAs					\$21,144	\$0	\$21,144
Grand Total		60			\$60,291	\$39,147	\$21,144
KSU							
GTAs -12 mo	12	52	\$75.00	75%	\$35,100	\$35,100	\$0
GTAs - 9 mo	12	528	\$75.00	75%	\$356,400	\$300,764	\$55,636
Subtotal - GTAs		580			\$391,500	\$335,864	\$55,636
GRAs -12 mo	12	380	\$75.00	75%	\$256,500	\$92,930	\$163,570
GRAs -9 mo	12	323	\$75.00	75%	\$218,025	\$89,100	\$128,925
Subtotal - GRAs		703			\$474,525	\$182,030	\$292,495
Grand Total		1,283			\$866,025	\$517,894	\$348,131
WSU							
GTAs -12 mo	12	25	\$75.00	75%	\$16,875	\$16,875	\$0
GTAs - 9 mo	12	188	\$75.00	75%	\$126,900	\$125,887	\$1,013
Subtotal - GTAs		213			\$143,775	\$142,762	\$1,013
GRAs -12 mo	12	78	\$75.00	75%	\$52,650	\$21,600	\$31,050
GRAs -9 mo	12	33	\$75.00	75%	\$22,275	\$13,162	\$9,113
Subtotal - GRAs		111			\$74,925	\$34,762	\$40,163
Grand Total		324			\$218,700	\$177,524	\$41,176
ESU							
GTAs -12 mo	12	15	\$75.00	75%	\$10,125	\$8,100	\$2,025
GTAs - 9 mo	12	107	\$75.00	75%	\$72,225	\$68,175	\$4,050
Subtotal - GTAs		122			\$82,350	\$76,275	\$6,075
GRAs -12 mo	12	5	\$75.00	75%	\$3,375	\$0	\$3,375
GRAs -9 mo	12	44	\$75.00	75%	\$29,700	\$12,825	\$16,875
Subtotal - GRAs		49			\$33,075	\$12,825	\$20,250
Grand Total		171			\$115,425	\$89,100	\$26,325
PSU							
GTAs -12 mo	12	101	\$75.00	75%	\$68,175	\$64,800	\$3,375
GTAs - 9 mo	12	0	\$75.00	75%	\$0	\$0	\$0
Subtotal - GTAs		101			\$68,175	\$64,800	\$3,375
GRAs -12 mo	12	5	\$75.00	75%	\$3,375	\$0	\$3,375
GRAs -9 mo	12	0	\$75.00	75%	\$0	\$0	\$0
Subtotal - GRAs		5			\$3,375	\$0	\$3,375
Grand Total		106			\$71,550	\$64,800	\$6,750
FHSU							
GTAs -12 mo	12	0	\$75.00	75%	\$0	\$0	\$0
GTAs - 9 mo	12	0	\$75.00	75%	\$0	\$0	\$0
Subtotal - GTAs		0			\$0	\$0	\$0
GRAs -12 mo	12	0	\$75.00	75%	\$0	\$0	\$0
GRAs -9 mo	12	16	\$75.00	75%	\$10,800	\$0	\$10,800
Subtotal - GRAs		16			\$10,800	\$0	\$10,800
Grand Total		16			\$10,800	\$0	\$10,800
SYSTEM TOTAL							
GTAs -12 mo	12	403	\$75.00	75%	\$268,543	\$253,018	\$15,525
GTAs - 9 mo	12	1,469	\$75.00	75%	\$982,450	\$876,526	\$105,924
Subtotal - GTAs		1,872			\$1,250,993	\$1,129,544	\$121,449
GRAs -12 mo	12	911	\$75.00	75%	\$611,661	\$147,497	\$464,164
GRAs -9 mo	12	416	\$75.00	75%	\$280,800	\$115,087	\$165,713
Subtotal - GRAs		1,327			\$892,461	\$262,584	\$629,877
Grand Total		3,199			\$2,143,454	\$1,392,128	\$751,326

DEPT. OF ADMINISTRATIVE SERVICES

DEC 12 1997

APPROVED BY FDI

RECEIVED
KANSAS ATTORNEY GENERAL

PROPOSED REGULATION OF THE
KANSAS STATE EMPLOYEES HEALTH CARE COMMISSION

108-1-2. Student health care benefits plan. (a) Each student shall be eligible to participate in the student health care benefits component of the state health care benefits program. Eligibility and participation shall be subject to terms, conditions, limitations, exclusions, and other provisions established by the commission. Participation in the student health care benefit component shall be voluntary.

(b)(1) "Commission" means the Kansas state employees health care commission.

(2) "Student" means any individual who is enrolled in one of the regents institutions, who is not eligible for coverage under K.A.R. 108-1-1, and who meets any criteria established by the commission regarding the minimum number of hours of course work in which the individual must be enrolled or similar reasonable provisions related to the individual's status as a student.

(3) "Regents institution" means a state educational institution as defined in K.S.A. 76-711, as amended.

(c) Each student participating in the student health benefits component shall pay the costs of the coverage on a direct bill basis, except that if the student is employed by the regents institution in which the student is enrolled, the student may be authorized or required by the commission to make these payments through periodic payroll deductions.

(d) Any student enrolled in the student health care benefits component of the state health care benefits program may enroll a spouse and eligible dependent children, subject to the same conditions and limitations that apply to the person enrolled in accordance with this regulation.

(e) Each student who is a state employee and is enrolled in the student health care benefits

ATTORNEY GENERAL

DEC 15 1997

S. W. M. ALM
2/12/98
Attachment 7-6

DEPT. OF ADMINISTRATION

DEC 12 1997

APPROVED BY FDI K.A.R. 108-1-2
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component of the state health care benefits program shall be eligible for an employer contribution toward the cost of this coverage if the student is in at least a half-time graduate teaching or graduate research position or combination thereof, which requires a minimum of 750 hours over two consecutive semesters and is equivalent to 1,000 hours for an entire one-year period. The employer contribution shall be in an amount determined by the commission after the plan has been established.

(f) This regulation shall take effect July 1, 1998, and shall be applicable to the student health care benefits component established by the Kansas state employees health care commission on or after this date. (Authorized by and implementing K.S.A. 75-6501 and 75-6510; effective P-

_____.)

Document Number: 12388

ATTORNEY GENERAL

DEC 15 1997

APPROVED BY *gLM*

Swym
2/12/98

Attachment 7-7



The Kansas Association of Public Employees
1300 SW Topeka Blvd., Topeka, KS 66612
(785)-235-0262 or (800) 232-KAPE
Fax (785)-232-3920

Testimony of Paul K. Wilson
Director of Labor Relations
Kansas Association of Public Employees before
The Senate Ways and Means Committee

Mr. Chairman and members of the committee, good morning and thank you for allowing me to come before you to offer testimony relative to the issue of providing health care insurance to the Graduate Teaching Assistants of the Regents institutions.

My name is Paul Wilson and I am the Director of Labor Relations for the Kansas Association of Public Employees. Prior to my current assignment with KAPE I was employed as KAPE's Director of Negotiations. In that capacity I served on the team which met with Regent's institution officials and ultimately arrived at an agreement with them which recognized the urgent need for health care coverage faced by the GTA's.

The graduate teaching assistants employed by the State of Kansas Regent's schools provide a very necessary service to the State of Kansas, specifically the teaching of a huge number of undergraduate classes at the universities. These employees have been teaching an ever increasing number of courses at the universities, and in some departments, such as English, GTA's teach up to 70% of those classes. They design course work, teach that work, and test and grade students on that work. They are in fact, fully competent teachers in their own right. They are not carried on the roles of the university as full professors because in addition to teaching course work, they are enrolled in university courses themselves to further their own education.

This symbiotic relationship pays mutual rewards to the GTA and the state. The GTA is able to further his or her education at a reduced cost while the university receives the services of qualified university instructors at a fraction of their market worth. In most cases, a GTA is paid no more than \$8,000 to \$9,000 per year with no benefits.

Naturally, this relationship works only so long as both parties needs can be satisfied by the rewards derived from the relationship. One of the major needs identified by the family of GTA's at the University of Kansas was the need for health care coverage. There is no other single issue which places GTA's in such potential economic jeopardy, cuts deeper into their meager disposable income, or causes them any greater fear of financial ruin other than health care.

QUALITY Government Doesn't Just Happen! • It Depends on QUALITY Public Employees!

S WPM
2/12/98

Attachment 8-1

It was the number one issue among GTA's during our discussions with the Regent's representatives, and nothing has changed today. It remains a tremendous concern among those employees and sorely needs to be addressed by this legislature.

It is doubtful that the absence of health care for GTA's will cause a mass exodus of those talented individuals from the Regent's schools. By the same token, however, the forces of supply and demand have been proven time and again to exert their impact on the market place. And the State of Kansas is in the market for quality teachers to instruct the students attending those institutions. The fact of the matter is that regardless of how strongly one identifies oneself as a Jayhawk or a Wildcat or a Shocker, that allegiance will not offset one's need to provide as well as possible for his or her family's security. The result can only be a deterioration in the quality of teacher we can attract to substandard terms and conditions of employment. If a talented GTA can work at a Kansas school for \$9000 per year, or any other quality school for \$9000 per year plus paid health insurance I'm sure we can all predict the choice they are likely to make.

Based on the foregoing, KAPE strongly encourages the legislature to provide adequate funding to allow your employees working as Graduate Teaching Assistants at the Regent's institutions to be covered by the State of Kansas health insurance plan.

Thank you for your consideration of my comments and I will attempt to answer any questions you may have.

S W + Dn
2/12/98

Attachment 8-2