

SESSION OF 2006

**CONFERENCE COMMITTEE REPORT BRIEF  
SENATE BILL NO. 375**

As Agreed to March 27, 2006

**Brief\***

SB 375, as agreed to by the Conference Committee, includes the provisions of that bill as passed by the House (with clarifying amendments), selected provisions of HB 2234 as passed by the House, and provisions of HB 2604 and SB 440 as those bills were passed by their originating chamber. The bill would amend statutes governing: long-term disability benefits for employees of the Board of Regents and the state universities; the calculation of long-term disability benefits for members of the Kansas Public Employees Retirement System; and vacation and discretionary leave for classified employees of the state universities. In addition, the bill would provide for resident tuition and fees for certain members of the military and their dependents and spouses. The bill also would amend statutes governing legislative membership of the Midwest Higher Education Commission. Finally, the bill would clarify state university admission requirements for residents of Kansas who attend a high school in another state.

**Long-Term Disability Benefits**

SB 375 would make clarifying amendments to statutes governing long-term disability benefits for Board of Regents and state university employees. Legislation was passed during the 2005 Session which aligned state law with the federal Internal Revenue Code. An unintended consequence of the 2005 legislation is that the cash benefit for individuals eligible for long-term disability payments are being assessed for three fringe benefits which could not be utilized by these individuals. The bill would provide an exemption so that the assessment for these fringe benefits would not be included in the long-term disability payment. These provisions were included in SB 375 as passed by both chambers.

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\*Conference committee report briefs are prepared by the Legislative Research Department and do not express legislative intent. No summary is prepared when the report is an agreement to disagree. The conference committee summary report may be accessed on the Internet at <http://www.kslegislature.org>

The bill also would amend statutes governing the calculation of long-term disability benefits for members of the Kansas Public Employees Retirement System (KPERS). Under current law and regulation, the KPERS long-term disability benefits are set at 60 percent of the individual's monthly compensation with a maximum of \$5,000 per month. These benefits are reduced by the amount of any disability benefits received by the individual from other sources. The bill would provide an exemption for supplemental benefits provided by reason of the individual's employment when that supplemental benefit is based solely on the amount of the individual's compensation above the monthly maximum.

In addition, the bill would clarify that unclassified university support staff would continue in the Kansas Public Employees Retirement System rather than moving to the Board of Regents retirement plan. Employees in the university support staff positions are unclassified employees whose positions were converted from classified positions under the provisions of legislation passed during the 2005 Session.

#### **Vacation and Discretionary Leave - State University Unclassified Employees**

The bill would authorize any of the Regents' universities to provide vacation and discretionary leave to classified employees in amounts that do not exceed such leave amounts available to unclassified employees of the institution. The amount of vacation and discretionary leave available to classified employees would be established by the President or Chancellor of the institution pursuant to policies of the Board of Regents and could vary from amounts of leave available to other classified state employees. These provisions were in SB 375 as passed by the House.

#### **Military Personnel - Resident Tuition and Fees**

SB 375 would permit the Board of Regents to authorize resident tuition and fees to members of the military who retired or were honorably discharged from the military, who had served on active duty in Kansas, and who reside in Kansas at the time of enrollment. The provisions also would apply to the spouse and dependents of that individual. These provisions were originally a part of HB 2234.

### **Terms of Midwest Higher Education Commission Members**

The bill would amend the statute that designates Kansas' representatives to the Midwest Higher Education Commission (MHEC) to provide for reappointment of legislative members under certain circumstances. Specifically, if a legislative member of the Commission is selected by the Commission to serve on its Executive Committee, the legislator could be reappointed to the Commission by the Kansas appointing authority. The reappointment could only be for a period up to an additional two-year term while serving on the Executive Committee. These provisions were contained in HB 2604 as passed by the House and Senate Committee.

### **Admission Qualifications; Students Graduating from a Non-Kansas High School**

SB 375 would clarify that Kansas residents who graduate from an accredited high school in another state would be eligible for admission at the state universities under the same admission standards as a Kansas resident who graduates from a Kansas high school. Under current law, Kansas residents who graduate from a high school in another state are not entitled to admission to a state university under the "qualified admissions" policy. These provisions were included in SB 440 as passed by the Senate.

### **Conference Committee Action**

In the Conference Committee, the Senate conferees agreed to include clarifying language on the vacation and discretionary leave provisions of SB 375 and to add the provisions of HB 2604 and selected provisions of HB 2234. The House conferees agreed to include the provisions of SB 440. The conferees also agreed to combine the bills.

### **Background**

SB 375 was introduced by the Legislative Educational Planning Committee as a part of the legislative package requested by the Board of Regents. At the Senate Committee on Education hearing on the bill, staff of the Board of Regents testified in favor of the bill. In addition, a

representative of the University of Kansas Hospital Authority requested an amendment which did not affect the provisions of the base bill.

The Senate Committee of the Whole amended the bill to provide an exemption for supplemental benefits provided by reason of the individual's employment when that supplemental benefit is based solely on the amount of the individual's compensation above the monthly maximum.

At the House Higher Education Committee hearing on the bill, representatives of the State Board of Regents and the University of Kansas Hospital Authority presented testimony in support of the bill. No opponents of the bill presented testimony to the House Committee. The House Committee amended the bill to authorize Regents' universities to set all employees' vacation and discretionary leave amounts at any level below a ceiling created by the amounts applicable to the unclassified employees of those institutions.

The fiscal note on the bill as introduced prepared by the Division of the Budget states that the fiscal impact would be a savings of \$6,542 in FY 2007. There is no revised fiscal note on the bill as amended.

HB 2234 was requested for introduction by the House Committee on Higher Education by Representative Carlin. Proponents of the bill at the Committee's hearing included a representative of the uniformed service members stationed in Kansas, a student at Kansas State University who was formerly married to a member of the military, and a representative of the State Board of Regents. The Board's representative suggested amendments to the bill.

The Committee amended the bill to clarify categories of persons eligible for in-state tuition and criteria to be used to determine eligibility. The Committee's amendment also incorporated into this bill the definitions of "dependent" and of "military service" included in HB 2072. The latter bill, which addressed tuition waivers, was passed by the House and has been referred to the Senate Committee on Ways and Means.

The 2005 Legislature passed the provisions of the bill addressing tuition waivers and resident status for tuition and fees as they relate to spouses and dependents of military personnel who are transferred to another duty station outside of Kansas. The remaining provisions addressed members of the military who retired or were honorably discharged from the military, who had served on active duty in Kansas,

and who reside in Kansas at the time of enrollment and the spouse and dependents of that individual. These remaining provisions are included in the Conference Committee Report on SB 375.

The fiscal note on the bill as introduced prepared by the Division of the Budget states that the bill would have been expected to increase the number of waivers of non-resident tuition. However, the Division was not able to project the magnitude of the increase that would be attributable to the bill. The fiscal note did not address any impact of the House Committee's amendment. There has been no updated fiscal note addressing the provisions which were included in the Conference Committee Report.

HB 2604 was introduced by Representative Tom Sloan who currently represents Kansas on MHEC and serves on its Executive Committee. Under current law, Kansas representatives on MHEC include two members of the Legislature of different parties. Legislators appointed to MHEC may serve a maximum of one two-year term. Kansas' other representatives to MHEC include the Governor, or the Governor's designee and two members of the Board of Regents, or designees of the Board. Non-legislator appointees to MHEC may serve maximum four-year terms.

Representative Sloan presented testimony in support of the bill at the House Higher Education Committee hearing. In this testimony, Representative Sloan explained that if a legislative representative to MHEC is selected to serve on the Commission's Executive Committee, it is possible that the legislator's appointment to the Commission would expire before the term on the Executive Committee expires. No opponents of the bill presented testimony at that hearing.

The House Committee amended the bill to permit reappointment of legislative members serving on the MHEC Executive Committee to an amount of time up to an additional two-year term. The bill as introduced would have allowed reappointment to a single, complete two-year term. HB 2604 as it passed the House was included in the Conference Committee Report on SB 375.

The Division of the Budget's fiscal note for the bill does not identify any fiscal impact attributable to the bill. However, the fiscal note points out that the Governor's budget recommendation for FY 2007 does not include the state's annual MHEC dues of \$90,000.

SB 440 was introduced by the Committee on Ways and Means. Proponents of the bill testifying at the Senate Committee on Education

hearing included Senator David Wysong and a representative of the Board of Regents. There were no opponents testifying to the Committee. The provisions of the bill as it passed the Senate were included in the Conference Committee Report on SB 375. The fiscal note by the Division of the Budget stated that the bill would have no fiscal impact.