

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairman Dwayne Umbarger at 10:35 A.M. on March 21, 2007, in Room 123-S of the Capitol.

All members were present.

Committee staff present:

Jill Wolters, Senior Assistant, Revisor of Statutes
Theresa Kiernan, Revisor of Statutes Office
Alan Conroy, Director, Kansas Legislative Research Department
Audrey Dunkel, Kansas Legislative Research Department
Michael Steiner, Kansas Legislative Research Department
Melinda Gaul, Chief of Staff, Senate Ways & Means
Mary Shaw, Committee Assistant

Conferees appearing before the committee:

Senator Jean Schodorf
Senator David Wysong
Diane Duffy, Vice President Finance and Administration, Kansas Board of Regents
George Fahnestock, Chair, Kansas Technical College and Vocational School Commission
Ken Clouse, President, Northwest Technical College
Joe Glassman, Commissioner, Hays, Kansas

Others attending:

See attached list.

Bill Introduction

Senator Schodorf moved, with a second by Senator Teichman to introduce a conceptual bill regarding the 2007 short term legislative package for accessible insurance for all Kansans (7rs1375). Motion carried on a voice vote.

The bill was introduced by Senator Jim Barnett, Representative Jeff Colyer, Representative Valdenia Wynn, Senator Laura Kelly and Dr. Marcia Nielsen, Kansas Health Policy Authority. (Attachment 1)

Chairman Umbarger opened the public hearing on:

SB 377--Postsecondary institutions; maintenance of buildings; financing

Staff briefed the committee on the bill. Copies of a memorandum from Theresa Kiernan, Senior Assistant Revisor of Statutes, were distributed to the Committee regarding **SB 377** (Attachment 2).

The Chairman welcomed the following conferees:

Senator Jean Schodorf explained the Senate Higher Education Task Force Report which she chaired (Attachment 3) and the support for **SB 377**. The task force overview, background of the issue, and the Governor's proposal were among the items discussed. Senator Schodorf addressed the following additional options:

- Identify a single, ongoing source of revenue to generate \$80.0 to \$100.0 million annually that is earmarked to address deferred maintenance for the Regents' universities, above the \$38.0 million annually the institutions spend on maintenance from their operating funds.
- Identify a plan with multiple sources of revenue to raise between \$80.0 million and \$100.0 million annually to address deferred maintenance at the Regents' universities.

Senator David Wysong presented information on the Proposed Regents Deferred Maintenance Legislation

CONTINUATION SHEET

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as member of the Task Force and in support of **SB 377** (Attachment 4). Senator Wysong explained the financial components of the plan as follows:

- Educational Building Fund (EBF)
- Retained Interest
- State General Fund
- Revolving Loan Pool

Senator Pat Apple was also present for questions.

Diane Duffy, Vice President, Administration and Finance, Kansas Board of Regents, testified in favor of **SB 377** and in favor of the State General Fund funding contained in the bill (Attachment 5). Ms. Duffy expressed concerns by the Kansas Board of Regents regarding three additional statutory changes contained in the bill:

- The first would make permanent the use of the tuition and fee and restricted fee interest income for deferred maintenance.
- Second, the bill changes the definition for the use of EBF to require that funds be used solely for infrastructure improvement projects.
- Third, the future maintenance provision in New Section 15 should be deleted or clarified.

Written testimony was submitted by:

Corey Peterson, Associated General Contractors of Kansas, Inc. (Attachment 6)
Trudy Aron, Executive Director, American Institute of Architects (Attachment 7)

There being no further conferees to come before the Committee, the Chairman closed the public hearing on **SB 377**.

Chairman Umbarger turned the Committee's attention to a briefing on the Final Report to the 2007 Kansas Legislature, Kansas Technical College and Vocational School Commission. Copies are on file in the Kansas Legislative Research Department.

The Chairman welcomed George Fahnestock, Chairman, Kansas Technical College and Vocational School Commission (Attachment 8). Mr. Fahnestock reviewed the Commission's charge to study the mission, governance and funding of the Kansas technical colleges and vocational education schools. Each of the conferees that came before the commission were asked what is right, what is wrong and what is needed. In his testimony, Mr. Fahnestock addressed a new approach to postsecondary technical education funding.

Chairman Umbarger acknowledged Ken Clouse, President, Northwest Kansas Technical College, Goodland, who presented information on the recommendations for technical education contained in **HB 2556** (Attachment 9). He explained that the Commission's recommendation is for an additional \$38-\$41 million infusion into current funding to bring Kansas' funding equal to or slightly above other states.

The Chairman recognized Dr. Ed Berger, President, Hutchinson Community College, who presented information from the Kansas Association of Community College Trustees (Attachment 10). Dr. Berger noted that regarding **SB 345** and technical education funding, funding would be differential for technical education. They like funding for program development and growth.

Chairman Umbarger welcomed Joe Glassman, Hays Commissioner, who addressed the issue of technical education not being funded enough in the past. He mentioned at one time technical schools were thought of as being secondary education. Mr. Glassman expressed the need for an authority for technical education to work with the Kansas Board of Regents. (No written testimony was provided.)

The meeting adjourned at 12:30 p.m. The next meeting was scheduled for March 22, 2007.