

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 13, 2008, in Room 123-S of the Capitol.

All members were present.

Committee staff present:

Jill Wolters, Senior Assistant, Revisor of Statutes
Alan Conroy, Director, Kansas Legislative Research Department
Kristen Clarke Kellems, Assistant Revisor of Statutes
Audrey Dunkel, Kansas Legislative Research Department
Cody Gorges, Kansas Legislative Research Department
J. G. Scott, Kansas Legislative Research Department
Jarod Waltner, Kansas Legislative Research Department
Melinda Gaul, Chief of Staff, Senate Ways & Means
Mary Shaw, Committee Assistant

Conferees appearing before the committee:

Martha Butler, Director of Nursing, Southwestern College, Winfield (by Terri Roberts)
Bernadette Kahler, Director of Nursing, Newman University (by Tonya Leiker)
Blake Flanders, Ph.D., Vice President for Workforce Development, Kansas Board of Regents
Senator Anthony Hensley
Representative Pat George
Representative Tom Hawk
Carol Foreman, Chairperson, State Employee Compensation Oversight Commission
Jane Carter, Kansas Organization of State Employees

Others attending:

See attached list.

Bill Introductions

Senator Emler moved, with a second by Senator V. Schmidt, to introduce a bill concerning final disposition of a decedent's remains (7rs2408). Motion carried on a voice vote.

Senator Kelly moved, with a second by Senator Emler, to introduce a bill concerning the Kansas lottery; veterans benefit game (7rs2414). Motion carried on a voice vote.

Senator Kelly moved, with a second by Senator V. Schmidt, to introduce a conceptual bill concerning apportionment of business income for income tax purposes for certain taxpayers. Motion carried on a voice vote.

Senator Schodorf moved, with a second by Senator Kelly, to introduce a conceptual bill regarding dealer-hauler full-privilege license plates. Motion carried on a voice vote.

Senator Morris moved, with a second by Senator Emler, to introduce a conceptual bill concerning authorization for issuance of bonds for national bio and agro defense facility. Motion carried on a voice vote.

Senator Morris moved, with a second by Senator Kelly, to introduce a conceptual bill concerning establishing the joint committee on energy and environmental policy. Motion carried on a voice vote.

Senator Schodorf made an apology for a previous meeting where the aviation industry was discussed regarding Wichita and the economic impact it would have on the city if funding was not there, nor jobs, and the same day **SB 654** was scheduled for a hearing and had to be postponed. The aviation discussion was very important in light of current situations that were developing in that area of Kansas. Senator Goodwin thanked Senator Schodorf and noted that she was disappointed that the directors of nursing had to go home.

The Chairman opened the public hearing on:

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SB 654--Nursing faculty and supplies grant program

Staff briefed the committee on the bill.

Terri Roberts spoke before the committee on behalf of Martha Butler, Director of Nursing, Southwestern College, Winfield, in support of **SB 654** ([Attachment 1](#)). Ms. Roberts emphasized that there is a shortage of nurses in the workforce. The goal of Kansas registered nurse education programs is to generate a well-prepared pool of graduates and the private nursing programs in Kansas make a significant contribution to achieving this goal; but, unique obstacles are there.

Tonya Leiker testified before the committee on behalf of Bernadette Kahler, Director of Nursing, Newman University, testified as a proponent on **SB 654** ([Attachment 2](#)). Ms. Leiker addressed private schools of nursing in Kansas and the future for private nursing education. She noted that qualified faculty and ample equipment and supplies are an obvious requisite to continuing to educate competent nurses. Attracting and retaining faculty will remain a challenge in nursing education for decades to come.

Blake Flanders, Vice President for Workforce Development, Kansas Board of Regents, testified as a neutral on **SB 654** ([Attachment 3](#)). Mr. Flanders detailed response the Legislature has had as part of a ten-year program expansion for nursing. This included addressing an insufficient number of qualified nursing faculty; competition among programs for clinical placement sites; classroom and laboratory space constraints; and additional equipment needs.

Written testimony was submitted by:

Chad Austin, Kansas Hospital Association ([Attachment 4](#))

Terri Roberts, Kansas Nurses Association ([Attachment 5](#))

The Chairman closed the hearing on **SB 654**.

Chairman Umbarger opened the public hearing on:

SB 666--State officers and employees, salaries and compensation, increases for FY 2009, certain expense allowances and multi-year market adjustments

Staff briefed the committee on the bill.

Senator Anthony Hensley testified on **SB 666** as a proponent ([Attachment 6](#)). Senator Hensley explained that **SB 666** represents an historic opportunity to have a comprehensive overhaul of the state employee pay plan which is long overdue. He noted that Kansas employee pay ranks 40th in the nation (U. S. Census Bureau). Senator Hensley also addressed a COLA because state employees lag far behind the market and longevity and longevity is the only bonus that rewards tenure and seniority.

Representative Pat George spoke in support of **SB 666** spoke as a proponent ([Attachment 7](#)). Representative George explained that the Select Committee was to broaden the scope in what could be done for state employees and five categories of employees were created. Implementation is key to the pay plan, pay for performance incorporated into the pay plan should empower workers. There is a 5-year implementation: first year is training; second year is a practice run and the third year is to go live with the plan. In closing, Representative George explained that **SB 666** represents a major undertaking, a whole new mind set on how the State of Kansas workforce is rewarded, treated and thought of.

Chairman Umbarger recognized Representative Tom Hawk who mentioned that he echoed the remarks that had already been addressed. (No written testimony was submitted.)

Carol Foreman, Chairperson, State Employee Compensation Oversight Commission and Deputy Secretary, Kansas Department of Administration, testified in support of **SB 666** ([Attachment 8](#)). Ms. Foreman mentioned that this bill is groundbreaking for state employees. She explained that the Department of Administration is in total support of the provisions included in the bill, but they do believe that there is one critical piece that was omitted. That piece is the proposed \$75,000 appropriation for the Department of

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Administration to assist with the implementation of the new pay plans.

Jane Carter, Kansas Organization for State Employees, spoke in support of **SB 666** (Attachment 9). Ms. Carter explained that this is a position of catch up on state employee salaries because of the State's failure to fund step increases over the past several years. She noted that the 2.5 percent COLA is necessary to bring those employees severely behind market up to a more adequate level and to keep those employees currently at market rate from falling to a point below market. In closing, Ms. Carter mentioned that the Governor's recommendations and **SB 666** address the value of state service and shows a commitment to employees of the State.

The Chairman closed the public hearing on **SB 666**.

Senator Emler moved, with a second by Senator V. Schmidt, to amend **SB 666** to provide \$75,000 State General Fund in FY 2009 for the Division of Personnel Services of the Kansas Department of Administration for implementation costs associated with the new pay plan. Motion carried on a voice vote.

Senator Teichman moved, with a second by Senator Betts, to amend **SB 666** for additional flexibility to provide leave and benefits to university support staff, and to provide additional compensation and travel expenses to members of the Kansas Board of Regents. Motion carried on a voice vote. This information was brought to the Committee by Kip Peterson and Julene Miller from the Kansas Board of Regents and both were recognized in the Committee by the Chairman to explain the needed amendment.

Senator Steineger moved, with a second by Senator Betts, to remove the contents of **HB 2916** and amend the provisions of **SB 666** into **HB 2916**. Motion carried on a voice vote.

Senator Steineger moved, with a second by Senator Betts, to recommend **Senate Substitute for HB 2916** favorable for passage. Motion carried on a roll call vote.

The Chairman turned the Committee's attention to discussion of:

SB 597--Dentistry Bridging Loan Program

The Chairman recognized Kevin Robertson who requested an amendment (Attachment 10) regarding the Kansas Dental Board and their intent is that the Kansas Dental Board will only administer the program. Senator V. Schmidt moved, with a second by Senator Teichman, to amend **SB 597** and adopt the balloon amendment. Discussion followed regarding the language of underserved area needs to be defined and action was not taken at this time on the balloon amendment.

The meeting adjourned at 10:35 a.m. The next meeting was scheduled for March 14, 2008.