

Classified Senate Annual Meeting Notes April 21, 2005

Sixty-eight FHSU employees attended the Annual Meeting on Thursday, April 21, 2005, in the Memorial Union Black & Gold Room. Senate President Phil Woodford welcomed everyone and introduced the Senators who worked on behalf of classified employees this past year.

Phil Woodford introduced President Edward Hammond who noted that the success of FHSU is measured by the efforts of classified employees. Dr. Hammond indicated that Senate Bill 74, informally known as the "KU Proposal", creates an opportunity for us to define the classified employment system the way we want it and to build in protections and restrictions, within reason. The House and Senate have been working on the omnibus bill. Governor Sebelius is expected to sign the budget bill today. Dr. Hammond expressed appreciation to Sen. Janis Lee, Rep. Eber Phelps and Rep. Dan Johnson for their efforts on behalf of the University. Their votes helped defeat this session's bill to remove a large portion of FHSU funding. He then introduced State Senator Janis Lee and State Representative Eber Phelps who addressed the group about current legislative issues.

Senator Lee noted that the regular session is over. The wrap-up session begins next Wednesday. It's possible that a special session may be called in July. The Governor proposed a 2.5% pay increase for classified employees. The Senate passed a 2.5% Cost of Living Adjustment, but the House voted for no increase and used the savings to fund K-12 education. The Conference Committee proposed a 1.25% COLA the first six months to Dec. 3 (funded from existing agency budgets) and an additional 1.25% COLA the last six months of the fiscal year, with this additional funding being provided by the State. Senator Lee noted that school financing puts so much burden on local property taxes. The House of Representatives used ending balance dollars and employee pay increases to fund the K-12 finance package and the funding proposal went to the Kansas Supreme Court. Under this plan, a \$200M budget deficit could occur by FY '07.

Representative Eber Phelps noted that First Adjournment occurred on April 1. The legislature will reconvene on April 27. The Governor has signed 12-13 bills into law and has vetoed four bills. Budget, legal and education staff are all reviewing the bills. Rep. Phelps is on the Higher Education Committee. He noted that KU has been working on the proposal to withdraw from the civil service system for four years. Employee turnover is high in Lawrence. Employees train at KU then leave for better paying jobs. There was a lot of misinformation about Senate Bill 74. It is enabling legislation, it is not permissive legislation and no funding was attached to the legislation. Safeguards were built into the legislation. Negotiating powers and benefits remain. A majority vote must occur before the request to withdraw from civil service can be submitted to the Board of Regents. No one will force this on any regents employees.

In other years, gaming bills passed the House and stalled in the Senate. This year the Senate passed a bill to allow gaming and sent it to the House.

The question was asked, why is there more money available if we're unclassified? The response was that money would be found in the budget, i.e. the university would use money not used for retraining.

Dr. Hammond disagreed with this response and explained that regents institutions have been funded differently the past few years. Formerly, all tuition went into the general fund. The past few years, regents institutions have assumed tuition ownership. There are two revenue sources, the general fund and tuition income. Senate Bill 74, allows a university to access both kinds of revenue for all employees. For civil service employees, the legislature restricts what pay can be given. Under the current system and budget proposal, 1.25% is all FHSU could give classified employees, even if additional funding is available in the budget. The last six months of FY '06, a 2.5% increase has been proposed.

The question was asked if the funding stream is stable or does it depend on increasing enrollments? Dr. Hammond indicated it is stable. The general fund revenue is available and there is the added flexibility to access other revenues, as long as the legislature doesn't raid those sources. Kansas was one of the last states to assume tuition ownership. This has been a national trend. It would be very hard to go back to putting all tuition into the general fund. It's possible that FHSU could be looking at a 6.5% tuition increase next year.

The question was asked if there is any serious discussion to funding step movement on the pay matrix? It's a battle to convince some legislators we need to pay employees to keep good employees. However, the Governor is interested in a longer-term study of the pay matrix.

The question was asked if we were university employees, could we negotiate our own health coverage? If regents employees would pull out of the health group, other state groups would lobby against it because their rates would go up. The Governor's attempt to realign health insurance groups to pull buying power together was blocked by the legislature this year, even though 100 health care agencies supported the initiative.

The question was asked about the status of a tuition waiver for FHSU employees? The proposal was approved by committee and will go to the full Board of Regents in May. It appears that the waiver may be approved at the request of individual regents universities. Pittsburg and Emporia are discussing a tuition waiver proposal. Wichita and K-State are interested in a tuition waiver. KU is not interested.

The question was asked if classified employees at FHSU became regents employees, would we be eligible for awards, such as those faculty members receive? An executive order by the Governor has banned bonuses, but awards may be given.

There is nothing in the Governor's budget now for longevity bonuses. However, that does not necessarily mean that the longevity bonus will not be paid. The longevity bonus has been funded in the past by each state agency and not included in the governor's budget.

There being no further questions, the meeting was adjourned.

