

STATE AFFAIRS COMMITTEE
March 7, 1967

The meeting was called to order by the Chairman, with all members present except, Vice-Chairman Unruh, Mr. Fribley, Mr. McCray, and Mr. Woodworth.

The first order of business was H.B. 1454, and the Chairman asked Mr. Doyen to be spokesman. He in turn introduced Mr. Hedrick, Mr. Hoffman, Mr. Londerholm, Mr. Knouft, Mr. Sullivan and members of the insurance department. Mr. Hedrick stated that he is a member of the Surety Bond Committee (along with the attorney general, Mr. Sullivan and Mr. Knouft) and have effected quite a savings for the state; that under legislation enacted in 1965, all state employees are now bonded in the amount of \$10,000 (compared with 60% previously) at a savings of \$37,000. He stated that this proposal would amend some of the language in the statute and eliminate duplications, and would also include the purchase of insurance, including health, accident, etc., and would permit the negotiation for the best possible deal, on a permissive basis for employees; that it would accomplish savings just as it did in the surety bond business; that it would make for uniformity and uniform procedures.

Mr. Hoffman explained certain sections of the proposal, and stated that Section 5 would permit the Committee to negotiate for a single group voluntary policy of insurance; that this is a companion to SB 25, which authorizes withholding for this purpose; that the only cost would be the administration and would be a valuable addition to the state employees benefits. He stated that there were no additional funds allocated to anyone serving on the Committee, nor were there any under the 1965 law; that it has all been done with existing staffs and has resulted in substantial savings to the state.

Mr. Knouft explained in detail what the Surety Bond Committee had accomplished, pointing out that the Treasurer has one of the largest bonds of \$500,000 and it previously cost \$9250 for two years and his employees cost \$1700.; that now for both for a period of three years the total cost is something under \$400.00; that he felt the same thing might be true of insurance; that (with figures from Mr. Fletcher of the Insurance Dept.) now there are 5959 state employees covered by Blue Cross-Blue Shield under 158 separate contracts, many of which are at different rates, and 16 that are experience rated.

Under the insurance plans for automobile coverage, Mr. Rogers inquired if one company had been making the bid or if it was a group working together. Mr. Knouft stated that only one presented the bid but that he didn't know what went on behind the scenes.

Mr. Andrews inquired under section 5, in the group insurance, how many employees might be expected to participate. Mr. Hoffman stated that there are some 30,000 (plus) employees; that now the only kind of hospitalization available is through departmental

negotiated Blue Cross-Blue Shield; that this is fine and they will be able to continue to participate in competition with other companies. Mr. Hoffman stated this would not become effective until January 1st, and probably the Committee would get together and negotiate since they would have plenty of time to do this.

Mr. Andrews inquired about an excess of funds in these programs that build up over the year, and was advised that in the experience rated groups, the initial rate was found to be too high and \$3,000 was placed back in the group so everybody enjoyed a 2½ months premium free Blue Cross-Blue Shield coverage.

Mr. Bunten inquired about Section 7, page 6, concerning the proration clause, and Mr. Hoffman advised that this deals with the vehicle insurance, automobile liability, etc.; that it is available to the state at an extremely low rate.

The Chairman then asked for discussion on H.B. 1251, and Mr. Doyen again asked Mr. Hoffman to explain the bill. He stated that it amends the Civil Service Act; that it provides for temporary appointments, especially in the case of grant and aid agencies; that it also provides for advancement within and without agencies.

Mr. Bunten stated that he had many questions always from people about jobs in another agency besides the one where they were employed. Mr. Hoffman explained that this would make it possible for an employee in one agency to take a non-competitive examination to see if he qualifies for a higher position in another agency; that now, it would be as if he were a new employee and would have to start out at the lowest rating when he transferred agencies.

The Chairman asked the Sub-committee to report on H.B. 1494, and Mr. Rogers presented amendments that are agreeable to the various schools, veterinarians, and other interested groups. He moved the adoption of the amendments as prepared by the Revisor's Office. Motion was seconded by Mr. Bunten and carried unanimously. Thereupon, Mr. Rogers moved that the bill as amended, be recommended favorably. Motion was seconded by Mr. Ford and carried unanimously.

The Chairman asked if the Committee was ready to vote on H.B. 1378, and Mr. Doyen asked if Mr. Andrews could state that this was what the Wichita delegation wanted. Mr. Andrews stated that he had no objection but couldn't speak for the entire delegation. The Chairman asked if he would survey the delegation and report.

The Chairman asked members to read and consider H.B. 1251 and 1454, as well as S.B. 25, so they would be ready to vote.

Meeting was adjourned.

MARGARET GENTRY, Secretary