

Approved 3/4/88
Date

MINUTES OF THE HOUSE COMMITTEE ON PENSIONS, INVESTMENTS & BENEFITS

The meeting was called to order by REP. VERNON L. WILLIAMS at
Chairperson

9:00 AM a.m./p.m. on Thursday, March 3, 1988, 19__ in room 313-S of the Capitol.

All members were present except: All present

Committee staff present: Alan Conroy, Richard Ryan, Gordon Self, Betty Lou Chidester

Conferees appearing before the committee: John Foster, Chief of Police, Lenexa
Lt. Wm. Jacobs, KHP
Michael O'Keefe, Div. of Budget
Charles Dodson - KAPE
Michele Donoho, Jeff. County District Court
Evelyn Taylor, Jeff. County District Court
Jerry Sloan, Judicial Branch
George Jackson, State employee
Tom Muther, State Employee
Boyd Jantzen, State Employee
Jerry Marlatt, Ks. State Firefighters Assoc.

The Chairman opened the hearing on HB 2836 and Michael F. O'Keefe, Director of Budget, testified in support of the bill as an implementation of the Governor's recommendations for a payment of a longevity bonus for long-term classified service employees. His written testimony is attached and made a part of these minutes. (See Attachment #1)

Considerable discussion on this testimony was had with questions and answers.

Charles Dodson, KAPE spoke in support of HB 2836. His written testimony is attached herewith and made a part of these minutes. (See Attachment #2)

Some discussion resulted with Chairman Williams asking Mr. Dodson if he would be amenable to including an amendment to the bill about satisfactory performance. His answer was "yes".

Michele Donoho - Clerk of the District Court, Bourbon County - spoke in favor of HB 2836, adding that she hoped court employees would be included in the longevity plan.

Evelyn Taylor, Jefferson County District Court, spoke in favor of HB 2836 and asked the committee to include the non-judicial unclassified employees in the longevity bonus plan. Her written testimony is attached and made a part of these minutes. (See Attachment #3)

Lt. Wm. Jacobs, KHP, testified in favor of HB 2836 which provides longevity bonuses to long-term state employees, but asks that an amendment to the bill be considered which would require that the individual be employed by the State on the qualifying date. His written testimony is attached and made a part of these minutes. (See Attachment #4)

Jerry Sloan, Judicial Branch - pointed out that HB 2836 currently affects classified employees in the executive branch. He noted that in legislation last year their pay plan is identical to that of Civil Service and feels that those in their pay plan should be treated identically with those in the Civil Service.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON PENSIONS, INVESTMENTS & BENEFITS,
room 313-S, Statehouse, at 9:00 AM a.m./p.m. on Thursday, March 3, 1988, 19 .

Boyd Jantzen, Dodge City, spoke in favor of HB 2836. His written testimony is attached and made a part of the minutes. (See Attachment #5)

Tom Muther, State Employee, speaking in favor of HB 2836, pointed out that employees would value this program as a yearly incentive plan, instead of a one-time only bonus. His written testimony is attached and made a part of these minutes. (See Attachment #6)

George Jackson, State Employee, spoke in favor of HB 2836. His written testimony is attached and made a part of these minutes. (See Attachment #7)

Hearing concluded on HB 2836, and opened for HB 2232 and HB 2401.

John Foster, Chief of Police, Lenexa, urges committee to reject HB 2232. His written testimony is attached and made a part of the minutes. (See Attachment #8)

John Foster, spoke favorably for HB 2401. His written testimony is attached and made a part of these minutes. (See Attachment #9)

Lt. Bill Jacobs, KHP, supports HB 2232 but would urge an amendment to the bill which would define "regularly used". His written testimony is attached and made a part of these minutes. (See Attachment #4)

Lt. Bill Jacobs, spoke favorably for HB 2401. His written testimony is attached and made a part of these minutes. (See Attachment #4)

Jerry Marlatt, President, Kansas State Council of Firefighters, spoke favorably for HB 2401. His written testimony is attached and made a part of these minutes. (See Attachment #10).

This concludes the hearing on these bills.

Chairman Williams announced that the committee would meet tomorrow morning at 9 AM, asking them to give special attention to the bills heard today, HB 2918, and to have ready any suggested amendments.

Meeting adjourned at 10 AM

Rep. Van Williams

3/31/85

Please PRINT Name, Address, the organization you represent, and the Number of the Bill in which you are interested. Thank you.

NAME	ADDRESS	ORGANIZATION	BILL NO.
John L. FOSTER	LENEWA, KS	Police-KPOA	2232-2401
BILL PERDUE	TOPEKA	KAPE	
Sherlyn Sampson	Lawrence	KADCCA	
Jerry Swan	Topeka	OJA	2836
Paul Shelby	Topeka	OJA	2836
Evelyn A. Taylor	Oskaloosa	District Court	2836
Michael R. Rob	Anthony	District Court	2836
Charles Dodson	TOPEKA	KAPE	2836
Harold Pitts	Topeka	KRTA	

STATE OF KANSAS
DEPARTMENT OF ADMINISTRATION
MIKE HAYDEN, Governor
MICHAEL F. O'KEEFE, Director of the Budget
Room 152-E, Capitol Building
(913) 296-2436

MEMORANDUM

TO: House Committee on Pensions, Investments and Benefits
FROM: Michael F. O'Keefe, Director of the Budget
DATE: March 3, 1988
SUBJECT: Testimony on House Bill No. 2836

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE:

I TESTIFY IN SUPPORT OF HOUSE BILL NO. 2836. THIS BILL WOULD IMPLEMENT THE GOVERNOR'S RECOMMENDATIONS FOR A PAYMENT OF A LONGEVITY BONUS FOR LONG-TERM CLASSIFIED SERVICE EMPLOYEES IN RECOGNITION OF THEIR SIGNIFICANT CONTRIBUTION. THE BONUS WOULD CONSIST OF \$25.00 PER YEAR FOR EACH YEAR OF SERVICE FOR ALL CLASSIFIED EMPLOYEES ACHIEVING 10 OR MORE YEARS OF SERVICE IN FY 1989.

ONE-HALF OF THE AMOUNT WOULD BE PAID JUNE 1, 1988. THE SECOND HALF WOULD BE PAID DECEMBER 1, 1988. NECESSARY FUNDS WERE BUDGETED SEPARATELY IN THE FINANCE COUNCIL BUDGET FOR DISTRIBUTION BY THE STATE FINANCE COUNCIL.

ATTACHMENT #1

3/13/83

HOUSE BILL NO. 2836 DOES NOT MAKE THE BONUS PERMANENT, NOR DOES IT TREAT THE BONUS AS COMPENSATION FOR RETIREMENT PURPOSES. INDEED, OUR PREFERENCE IS THAT THE BONUS PAYMENTS BE MADE BY SEPARATE CHECK ON JUNE 1 AND DECEMBER 1 -- IN TIME FOR SUMMER VACATION AND IN TIME FOR CHRISTMAS.

THE GOVERNOR'S BUDGET RECOMMENDATION IS BASED UPON AN ESTIMATE OF 9,228 ELIGIBLE EMPLOYEES WHO WOULD HAVE A TOTAL OF 167,598 PERSON YEARS OF SERVICE. THESE ARE GENERALLY LONG-TERM EMPLOYEES, MANY OF WHOM HAVE REACHED THE END OF RESPECTIVE PAY RANGES. THEY RECEIVE ONLY COST-OF-LIVING ADJUSTMENTS.

WE HAVE INCLUDED ONLY THE CLASSIFIED CIVIL SERVICE IN HOUSE BILL NO. 2836. THE GOVERNOR'S BUDGET RECOMMENDATIONS CONTAIN MERIT MONEY FOR UNCLASSIFIED EMPLOYEES EQUAL TO 5.7 PERCENT OF THE SALARY BASE. THAT PERCENTAGE IS THE AVERAGE CLASSIFIED EMPLOYEE INCREASE UNDER THE GOVERNOR'S RECOMMENDATION. APPROXIMATELY 70 PERCENT OF ALL CLASSIFIED EMPLOYEES WILL GET A STEP INCREASE IN FY 1989. THE REMAINING 30 PERCENT WOULD GET NO STEP INCREASE. IN DEED, THE BONUS PLAN IS DESIGNED TO ASSIST THOSE EMPLOYEES.

I WOULD BE PLEASED TO ANSWER YOUR QUESTIONS.

MFO:sr

2556



Presentation of Charles Dodson to the
Committee on Pensions, Investments and Benefits
House Bill 2836
March 2, 1988

Mr. Chairman, members of the committee. Thank you for this opportunity to speak in support of HB 2836.

This is known as the longevity pay plan. It is the concept recommended by Governor Hayden for this year. We applaud the Governor for recognizing the need and providing the start-up procedures and format for what we consider an important aspect of any payplan.

There has been a misunderstanding about this proposal. Many have said that we should not be starting a new program. To clarify, this is not a new program for the employees of the State. As a matter of fact, the plan in use until 1986 had a much more expansive longevity plan built into it than does this very modest proposal.

Prior to 1986 the state payplan had a total of 492 steps and 164 different longevity steps. The longevity program worked on five year increments and would allow employees to receive longevity pay based on their salary range and years of service. The plan started in the fifth year of service and continued to the 20th year of service. An employee in range 10 of the payplan in effect at that time could look forward to an additional \$1164 after twenty years. An employee in range 22 would receive \$2064 each year after 20 years. The proposal submitted by the Governor would allow each of those employees to receive only \$500 after twenty years of service.

The payplan in effect now has only 429 steps as compared to the pre-1986 plan. The plan in effect now allows only 2.5% between steps while the previous plan had 3 to 5 percent between steps. And, our current plan makes no provision for long continued service to this state.

For years state workers have heard that it was important to have a financially stable government and accept meager pay

raises. They were told that the time would come when we would be in better fiscal shape and that pay would improve at that time. Well, that time is here. In the event you have difficulty believing that state employees have been left behind when it came to spending the state's resources, perhaps the following will demonstrate the facts.

If we compared the salary increases over the period 1975 to 1985 we find the classified workforce lagged far behind every other group

Group	% Of Salary Increase
K-12 Teachers	136.12%
Inflation Rate	126.97%
Regents Faculty	123.30%
Private Sector	118.47%
Classified Employees	78.18%

Longterm employees since that time have received very little in the way of salary increases. In 1986 most, if not all, received no salary increase. In 1987 they received a 3% increase, in 1988 they received 2% after waiting 18 months for any increase.

If you wanted to give state employees the same percentage increase given to these other groups over that ten year period you would have to spend considerably more than the modest cost of the proposed longevity program. To give the classified workforce the same increases as those received in the private sector would have cost \$116 million in 1986, probably more today.

To provide the same as received by the Regents Faculty would cost \$130 million, just to have kept pace with inflation would cost \$140 million, and to have received the same percentage increase as the K-12 employees would cost a big \$167 million.

We aren't asking for any catch-up. But we would like to have back the longevity program taken away from us in 1986.

How does this program work? Any employee who completes 120 months of service in FY 1989 would be eligible to receive \$25 for each year of service. In the past there have been times when this legislature has decided that a dollar salary increase needed to be given instead of a percent increase. To do so now would totally destroy the pay matrix established in 1986. This longevity program does much the same thing as a dollar salary increase. That is, for any employees with a given number of years of service, it pays the same amount. A \$50,000 a year employee with 15 years of service gets the same longevity pay as a \$15,000 per year employee with 15 years.

The concept of giving part of employees pay increases in the form of bonuses whether based on longevity or other factors is growing in the private sector because of the money illusion incorporated into the concept. A lump-sum payment of any size appears to have more utility because of the nature of the payment. \$400 in your hand that is not built into your budget appears to have more value than \$7.50 a week added to the paycheck.

We believe that all employees should be included. This should include employees of the Legislative, Executive and Judicial Branches of state government. This will add to the costs of the program, but adjustments to the appropriations scheduled for those employees would be available to keep the total dollar figure within the anticipated budget limits.

I thank you for this opportunity to speak to the committee, and will be happy to answer any questions you may have.

HOUSE BILL No. 2836
March 3, 1988

Mr. Chairman, members of the committee. I am Evelyn Taylor, Clerk of the District Court of Jefferson County. Thank you for this opportunity to appear before you. I appear in support of House Bill No. 2836 concerning payment of a longevity bonus.

Under the current pay plan employees can receive pay increases as follows:

<u>Step</u>	<u>Time on step</u>
A	6
1	6
B	12
2	12
C	12
3	12
D	36
D3	36
D6	36
D9	36
D12	36
D15	36
D18	36

As shown employees can receive 6 pay increases in the first 5 years of service, whereas a long-term fully trained employee that has over 5 years service must work for an additional 18 years to receive the next 6 pay increases.

House Bill 2836 will accomplish a great deal to enhance the morale of the long-term employee and the introduction of the bill is greatly appreciated.

In reviewing the bill a qualification to be eligible to receive the bonus is that an employee must be in the classified service in a state agency in the executive branch of state government. I would ask that the non-judicial unclassified employees of the judicial branch of state government also be considered for a longevity bonus. It is my understanding that there are approximately 26,000 classified employees and approximately 1,000 unclassified employees in the judicial branch.

For the past several years we have worked extensively to bring the judicial branch pay matrix in alignment with the executive branch. This was accomplished last year when we were converted to the executive branch pay matrix. This was done for the purpose of clarification in raises, either cost of living or merit.

I would ask this committee to include the non-judicial unclassified employees in the longevity bonus plan so that the system will continue to work in the manner it was established for.

Once again thank you for your time and attention.

ATTACHMENT #3

3/3/88

SUMMARY OF TESTIMONY

Before the House Pensions, Investments, and Benefits Committee

House Bill 2836

House Bill 2401

House Bill 2232

Presented by the Kansas Highway Patrol

(Lieutenant William Jacobs)

March 3, 1988

Appeared in Support of House Bills 2836, 2401, 2232

The Kansas Highway Patrol supports House Bill 2836 which provides longev-
evity bonuses to long-term state employees. We totally agree that long-
term (career) employees are the backbone of public service workers and
deserve to be compensated for their dedication to the state. We do have
a concern with the criteria in section one, subparagraph four (4) which
states that the employee is in pay status on the qualifying date. Our
concern is that a long-term employee might be placed on "suspension without
pay", which could even be inadvertent, and not be eligible for the bonus
payment. That would certainly be a severe penalty, especially if the
suspension was for a "minor" violation which called for a short suspension,
maybe only one (1) day, and it fell on that day. We would ask that an
amendment be considered to require that the individual be employed by the
State on the qualifying date.

The Patrol also supports House Bill 2401 which includes "cancer" as a ser-
vice connected disability. You are aware that law enforcement and fire
fighting are very stressful occupations and some reports indicate that
stress might be the cause or a contributing factor in some forms of cancer,
this would be a valuable benefit.

The Patrol would also support House Bill 2232 which relates to using
tobacco products being in service connected disabilities. We feel
this would be an incentive to not use those products and help preserve our
health. We do have one concern with the bill as written. The bill on
lines 80 through 82 state "if the member has not regularly used any tobacco
products during the five (5) years immediately preceding application for
such death or disability benefit". We have a concern with the phrase
"regularly used" and ask that you consider an amendment to the bill which
would define "regularly used".

Attachment #4

3/3/88

Testimony of Boyd Jantzen in support of House Bill 2836
to the
House Committee on Pensions, Investments and Benefits

March 3, 1988

My name is Boyd Jantzen. I am an Engineering Technician, Level II, in the Dodge City sub-area office of the Kansas Department of Transportation. I am here to speak in favor of House Bill 2836. I will not have completed eight years of state service until March 15, 1988, so I would not qualify for the longevity bonus in this bill. But I support the longevity concept because it would give me something to look forward to.

There are many reasons state employees would welcome a longevity system. In my office, the long term employees are frozen at the top step of their salary ranges and have not had a merit increase since 1979. They have had only cost of living raises. In fact, they are actually receiving \$204 a year less than they did a short time ago. I hope there is more to look forward to in state employment than the possibility of frozen or reduced wages.

I was promoted two years ago and, in a small office such as mine, future promotions might be a matter of waiting until someone else resigns or retires. Without my promotion to a higher salary range, I would not have received any salary step increases since 1985. And, after this year, I would be facing no more pay increases until 1991, except for cost of living.

It seems that as I gain more skills, knowledge and experience to do my job and try to further myself through promotions that I get fewer pay incentives to encourage me to stay with the job. KDOT has invested many hours and funds training me and other engineering technicians to do professional quality work. I think it would be a wiser use of the taxpayers' dollars, including mine, to help this investment pay off by keeping and rewarding those who have worked hard over the years to do their jobs well.

It would help if the many employees who care and have pride in their work got some feedback from their employer to recognize their dedication to a career with the State of Kansas. Otherwise, agencies like mine will continue to be known as training grounds for private industry. An annual salary bonus that is based on objective grounds, such as years of service, would be welcome by state employees.

I urge you to support House Bill 2836.

ATTACHMENT #5

3/3/88

House Pensions, Investments and Benefits Committee

March 3, 1988

Testimony of Tom Muther, Licensed Mental Health Technician
II, Topeka State Hospital

Thank you for this opportunity to speak today in favor of House Bill 2836. I and many others at Topeka State Hospital in direct care and in other positions support a longevity pay system.

As you might already know, there are many positions at our state mental health and mental retardation facilities that pay relatively low salaries. I see this bill as a major turning point in offering incentives for experienced and trained workers.

I feel employees would value this program as a yearly incentive plan, instead of a one-time only bonus. Longevity also would help attract and keep experienced employees at our state institutions to better serve our clients.

Thank you.

House Committee on Pensions, Investments and Benefits

Testimony of George Jackson on HB 2836

March 3, 1988

Mr. Chairman, members of the committee, thank you for permitting me to speak in support of House Bill 2836. My name is George Jackson. I work for the State of Kansas, Department of Human Resources, as a field representative in southeast Kansas. I have traveled here from my home in Frontenac to urge you to give HB 2836 a favorable recommendation.

With just under nine years of state service, I would be among those interested in seeing a longevity plan start sooner, such as in the sixth year. Under the state pay plan, most employees are on what is known as a "D" step by their sixth year. At this point, the state employee, unless promoted or reclassified, receives pay steps only in every third year. Otherwise, the only annual monetary reward will be whatever cost-of-living raise is passed. Unlike merit steps, cost-of-living raises go to all employees, regardless of whether they are doing a satisfactory job. Starting a longevity plan in the sixth year would help maintain the morale of employees who are doing a good job for the state. Even if the plan started at 10 years of service, it would provide needed encouragement to dedicated employees.

From talking to my coworkers, I feel that employees would greatly welcome an annual longevity plan.

Thank you.

ATTACHMENT # 7

3/3/88

John L. Foster

HB. 2232

A preliminary examination of this amendment to the Kansas Police and Fire Retirement System would suggest that it is well intended for the health benefit of the members and the welfare of the system and coincides with the national siege on tobacco products. However, a close examination of the results of this amendment could have disastrous results for the members.

Consider the member that has used tobacco products during the last five years; has a heart or lung ailment that is not related to the use of tobacco only to find that his disability is now treated differently than other members who may suffer from the same dilemma. I would urge the Committee to reject this amendment.

ATTACHMENT # 8

3/3/88

John L. Foster

HB. 2401

This amendment to the Kansas Police and Fire Retirement System concerning cancer is well founded in light of the exposure to hazardous materials that are moving on our roadways daily. Many of these materials have been identified as carcinogens in nature and the potential for exposure by a policeman and fireman is great. The Committee should recommend that this amendment be passed.

ATTACHMENT #9

3/3/88

KANSAS STATE COUNCIL OF FIREFIGHTERS

M E M O R A N D U M

DATE: March 3, 1988

TO: Pensions, Investments & Benefits Committee

FROM: Jerry Marlatt, ^{JM} President
Kansas State Council of Firefighters

RE: H.B. 2401 - The Firefighter Cancer Presumption

1. Studies show firefighters are at excess risk for cancer. Those firefighters who do contract cancer as a result of job-related exposures deserve to be compensated.
2. There is no question that all active firefighters are exposed to carcinogens on the job. As long as exposure is a fact of the firefighter's occupation, there remains the unfortunate probability that some firefighters will develop cancer, and require compensation for self and family.
3. Compensation is necessary when a firefighter develops cancer as a result of job-related exposures.

Thank you for your consideration in regards to this bill. If additional information is needed, please contact me at 318 Jefferson, Topeka, Kansas, (913) 232-1335.

ISSUE PAPER

FIREFIGHTER EXPOSURE

The issue of whether a firefighter's duties place them in greater jeopardy to cancer has been examined in numerous studies. The hazardous nature of the job constantly exposes firefighters to known carcinogens including toxic smoke, gases such as chlorinated hydrocarbons, sulfur acid, chloride gas, vinyl chlorides, and exposure to asbestos, and soot.

CANCER STUDY FINDINGS

Percent deaths from cancer has risen 30% since the mid-1970's. Boston study (by Jack McKenna) indicates that firefighters at excess risk and death rate for active firefighters from cancer has increased by 24% since 1959. New York study (by Public Interest Scientific Consulting Service) has indicated that firefighters have a cancer pattern distinctly different from that of general population. The findings include:

1. Higher proportions of fatalities due to leukemia, stomach/intestinal cancer, and respiratory cancers than that of the general population.
2. Cancer incidence per unit population strongly related to years of service.
3. Lag time between entering the job and detecting the cancer much shorter than that typical of the general population, indicating cancer promotion by chemicals interacting.
4. Cases in Manhattan and the Bronx are markedly concentrated in high fire areas.

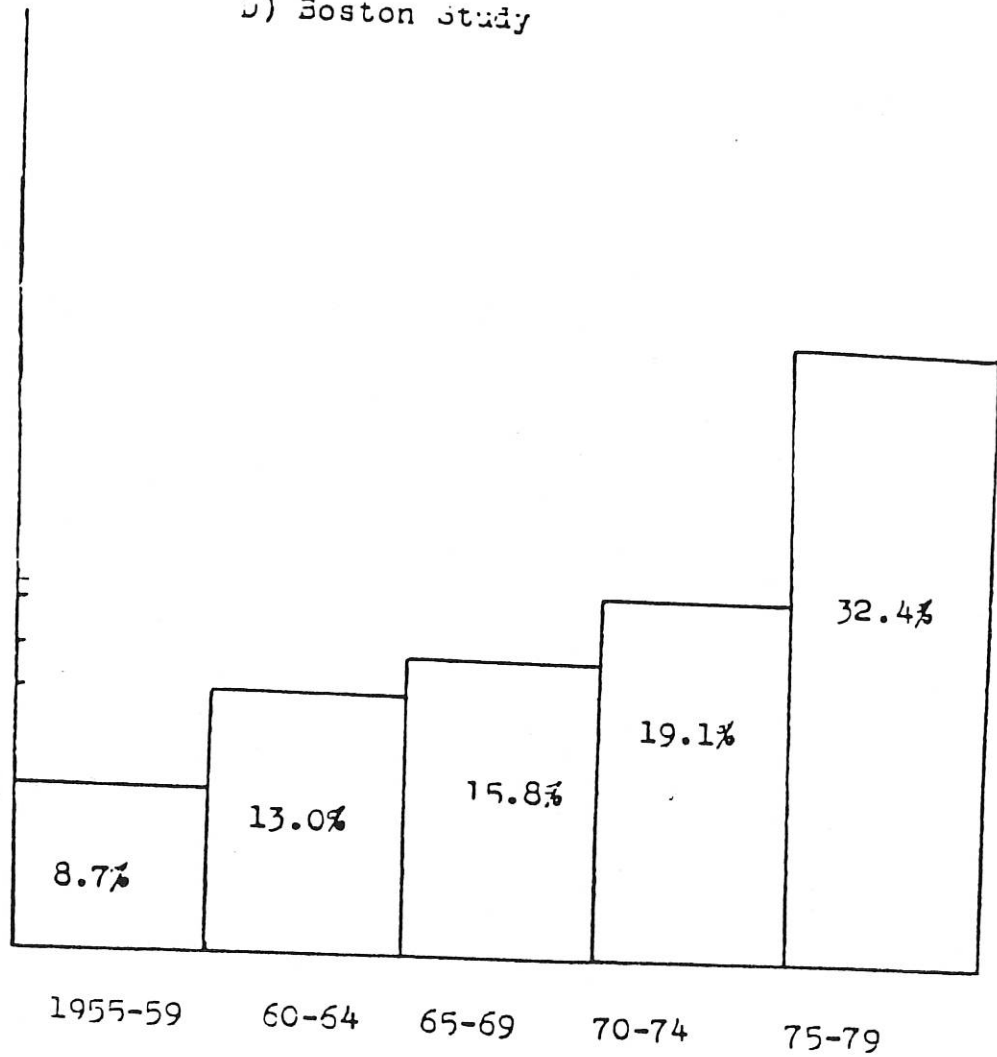
5. The mix of cancer types indicates exposure to petrochemical and coal tar volatile such as benzenes and polycyclic aromatics. The mix of cancer types found among cases arising in clusters of two or more in a firehouse indicates greater cumulative exposure to such hydrocarbons.
6. Cumulative workload (years of service and company workload) appear to influence the pattern of cancer incidence.

A third study conducted by the Institute for Cancer and Blood Research examined the cancer mortality rate among Los Angeles City firefighters. The study indicates that "while the mortality rate due to heart diseases appears to have declined since 1950, the mortality rate for all cancers shows no such decrease. In fact, in terms of proportionate mortality, the relative importance of cancer has increased consistently" among firefighters.

Dr. D. Sheppard in a 1986 study of the acute effects of routine firefighting on lung function found that "routine firefighting is associated with a high incidence of acute decrements in lung function.

UCD researchers have found in an analysis of firefighter exposure that "there were surprisingly few fighters who contracted lung cancer who were smokers only 5% were current smokers, 22% previous smokers, and 72% had never smoked."

D) Boston Study



Active Firefighters City of Boston % of Cancer Deaths

1364 death certificates were reviewed of both active and retired firefighters. Of that number 231 firefighters died during that time period (1955-1979) while they were still active members these are the ones included in this study (231).