

Approved 2-27-89
Date

MINUTES OF THE House COMMITTEE ON Appropriations

The meeting was called to order by Bill Buntten
Chairperson

1:30 ~~am~~/p.m. on February 16, 1989 in room 514-S of the Capitol.

All members were present except: Representatives Vancrum, Solbach and Turnquist
(all excused)

Committee staff present: Ellen Piekalkiewicz, Diane Duffy, Julian Efird,
Paul West, Legislative Research
Jim Wilson, Revisor of Statutes
Sharon Schwartz, Administrative Aide
Sue Krische, Committee Secretary

Conferees appearing before the committee:

SB 30 - An act making and concerning appropriations for the fiscal year ending June 30, 1989, for the Kansas racing commission, department of commerce, Kansas technology enterprise corporation, Kansas arts commission, department of corrections, Ellsworth correctional work facility, Hutchinson correctional work facility, attorney general judicial branch and state board of tax appeals, authorizing certain transfers and fees, imposing certain restrictions and limitations, and directing or authorizing certain receipts and disbursements and acts incidental to the foregoing; repealing section 48 of chapter 33 of the 1988 Session Laws of Kansas.

Chairman Buntten announced that a motion on the bill will be taken after all the sections have been considered. A staff write-up on SB 30 was distributed (Attachment 1). The House Subcommittee concurs with the Senate on Section 2 - Kansas Racing Commission. Staff stated the \$250,000 appropriation for purchase of a computer system is needed immediately and other budget considerations will be addressed in the regular budgetary process.

The House Committee concurs with the Senate Committee of the Whole on Section 3 - Department of Commerce, Section 4 - KTEC, Section 5 - Kansas Arts Commission, Section 6 - Department of Corrections, Section 7 - Ellsworth Correctional Work Facility, and Section 8 - Hutchinson Correctional Work Facility. The Subcommittee also concurs with the Senate on the bill sections addressing the Judicial Branch and Board of Tax Appeals. In response to a question, Representative Lowther indicated the question of funding for DPT vaccine in the Department of Health and Environment is being addressed by the subcommittee in the regular budgetary process.

The Committee will consider Section 9 - Attorney General - of SB 30 later in the meeting when conferees from the Attorney General's office arrive. The Chairman turned to subcommittee reports on HB 2064.

HB 2064 - Appropriations for FY90 (continued)

KANSAS COMMISSION ON CIVIL RIGHTS

The Subcommittee concurs with the Governor for FY89 and FY90 and recommends the Senate subcommittee address the declining federal fund balance upon receipt of updated contract amounts (Attachment 2). Representative Fuller moved adoption of the subcommittee report for FY89 and FY90. Representative Francisco seconded. Motion carried.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Appropriations

room 514-S, Statehouse, at 1:30 ~~am~~/p.m. on February 16, 1989

STATE FINANCE COUNCIL

The Subcommittee concurs with the Governor's recommendation for FY89 and FY90 (Attachment 3). Representative Goossen moved adoption of the subcommittee report for FY89 and FY90. Representative Pottorff seconded. Motion carried.

The Chairman announced Section 9 - Attorney General of SB 30 would now be considered. Representative Chronister moved to recess this meeting for the purpose of an executive session. The justification for this session is the need to consult with legal counsel for the State. The only subjects which will be discussed deal with the settlement of claims against the state and/or its agencies or employees. The claims discussed will be those designated in 1989 SB 30. The meeting will reopen to the public at 2:30 p.m. in Room 514-S, Capitol Building. No binding action will be taken during the executive recess. Representative Heinemann seconded. Motion carried. The executive session of the House Committee on Appropriations recessed at 2:30 p.m. Representative Chronister moved to recess this meeting for the purpose of an executive session. The justification for this session is the need to consult with legal counsel for the state. The only subjects which will be discussed deal with the settlement of claims against the state and/or its agencies or employees. The claims discussed will be those designated in 1989 SB 30. The meeting will reopen to the public at 2:45 p.m. in Room 514-S, Capitol Building. Representative Heinemann seconded. Motion carried.

The open meeting of the House Committee on Appropriations reconvened in Room 514-S of the Statehouse at 2:45 p.m. No action was taken by the Committee on Appropriations while in closed meeting.

Chairman Bunten announced that discussion of SB 30 has been completed. Representative Chronister moved that SB 30 be recommended favorably for passage. Representative Teagarden seconded. Motion carried. Representative Helgerson is recorded as voting "no."

HB 2064 - Appropriations for FY90 (continued)

KANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM (KPERs)

The subcommittee does not recommend the additional \$65,000 for DISC charges to the agency until an explanation of the charges is received from DISC (Attachment 4). For purposes of clarification on the FY89 report, the first sentence in Recommendation #1 will be changed to read "...the apparent shortfall in the FY89 approved State General Fund amount of \$36,453,239...". To avoid shortfalls, Chairman Bunten stated consideration should be given to the introduction of legislation providing that local units will pay the additional contributions for public employee benefits if increases in salaries are above the top limit. Representative Shriver moved adoption of the subcommittee report for FY89 and FY90. Representative Goossen seconded. Motion carried.

DEPARTMENT OF ADMINISTRATION

Representative Fuller reviewed the subcommittee reports for FY89 and FY90 (Attachment 5). Representative Brady asked how much is being spent by the Department of Administration for contract services, i.e., employees working in other agencies and paid through the Department of Administration. The subcommittee did not review this question.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Appropriations,
room 514-S, Statehouse, at 1:30 ~~am~~ p.m. on February 16, 1989

Chairman Bunten explained that his request in the FY90 subcommittee report to remove the line item appropriations for DISC from the bill is to allow more time for review. He will be asking DISC to respond to questions on the future plans for the state computer operations.

Representative Wisdom moved that the \$100,000 for consultant service to assist with the Comprehensive Classification and Job Rate Study be included in the Department of Administration budget. Representative Shriver seconded. In response to a question, Representative Brady stated approximately 25 percent of state employees have not been reviewed in the job classification study. Motion failed.

Representative Helgerson moved to delete \$72,500 from the FY90 funding of the Preventive Health Care Program Fund for state employees. Representative Teagarden seconded. This is part of the wellness program for state employees and the health consortium provides mental health services to state employees. Representative Helgerson believes these services should be provided through the existing community mental health centers rather than funding a separate entity. Representative Brady pointed out that half the funds in the wellness program are contributed by employees. Representative Helgerson amended his motion with the permission of the second, Representative Teagarden, to state the funding will be left in the budget with the proviso that a contract for mental health services for FY90 will not be entered into at this time. Motion failed. Representative Fuller moved adoption of the subcommittee report. Representative Kline seconded. Motion carried. Representative Helgerson is recorded as voting "no."

Representative Chronister moved that HB 2064, as amended, be recommended favorably for passage. Representative Heinemann seconded. Motion carried.

Representative Teagarden moved that the minutes of January 31, 1989 and February 1, 7, and 9, 1989 be approved as presented. Representative Fuller seconded. Motion carried.

INTRODUCTION OF BILLS

Representative Teagarden requested introduction of a bill concerning workers compensation relating to permanent partial general disabilities (Attachment 6). Representative Teagarden moved introduction of the bill. Representative Helgerson seconded. Motion carried.

Written testimony in support of HB 2195 was distributed to the members from Myrna Stringer, League of Women Voters of Kansas (Attachment 7). Also, each member was provided Section Two of the Budget Analysis by the Kansas Legislative Research Department.

The meeting was adjourned at 3:35 p.m.

SENATE BILL NO. 30

Section 2 -- Kansas Racing Commission

Governor's Recommendation

The Governor recommends a State General Fund supplemental appropriation of \$500,000 in FY 1989. In addition, the Governor recommends reducing the State Racing Fund's approved expenditure limitation by \$391,715 in FY 1989. A net increase of \$108,285 is recommended by the Governor in FY 1989 expenditures. Included in the Governor's FY 1989 capital outlay recommendation is \$200,000 for purchasing a new computer system.

Senate Subcommittee Recommendation

The Subcommittee recommends a supplemental State General Fund appropriation of \$250,000 for purchasing a new computer system and paying for other capital outlay items previously acquired in FY 1989. No other adjustments are recommended pending review of the agency by its regular Senate Subcommittee.

Senate Committee Recommendation

The Committee concurs with the Subcommittee recommendation.

Senate Committee of the Whole Recommendation

The Senate Committee of the Whole concurs with the Committee's recommendation.

Section 3 -- Department of Commerce

Governor's Recommendation

The Governor recommends, in FY 1989, a State General Fund supplemental appropriation of \$1,700,000 for the Kansas Partnership program and a decrease of \$2,700,000 in the expenditure limitation on program expenditures from the EDIF. The recommendation provides for an increase of \$57,879 in state operations expenditures and a net decrease of \$1,057,879 for loans to local units of government from the budget approved by the 1988 Legislature. The Governor also recommends the elimination of EDIF funding for an education awards program (\$50,000) and an increase of \$7,009 in the EDIF state operations expenditure limitation to \$378,336.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's FY 1989 recommendation, with the following adjustments:

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Attachment 1

1. Reduce the State General Fund supplemental appropriation by \$700,000 to \$1,000,000 pending further review of the current year demands for loans from the Kansas Partnership program.

Senate Committee Recommendation

The Senate Committee concurs, with the following adjustment:

1. Add \$200,000 from the State General Fund for the Kansas Industrial Training (KIT) program. The Committee further recommends that this amount be offset from the \$800,000 supplemental appropriation recommended by the Governor in S.B. 80, to maintain the supplemental funding for KIT at \$800,000.

Senate Committee of the Whole Recommendation

The Senate Committee of the Whole concurs with the Committee's recommendation.

Section 4 -- Kansas Technology Enterprise Corporation

Governor's Recommendation

The Governor recommends a \$126,702 reduction in the expenditure limitation for the Corporation's state operations expenditures from the EDIF. The present limitation of \$368,809 would be reduced to \$242,107. The Governor also recommends a change in the timing of EDIF transfers to the Corporation to better match anticipated EDIF cashflow.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's FY 1989 recommendations, with the following adjustment:

1. Remove the decrease in the expenditure limitation for state operations from the bill pending further review of the Corporation's current year needs by the regular Ways and Means Subcommittee.

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee, with the following adjustment:

1. The Senate Committee makes an adjustment in the timing of one EDIF transfer, from January 23 to February 15.

Senate Committee of the Whole Recommendation

The Senate Committee of the Whole concurs with the Committee's recommendation.

Section 5 -- Kansas Arts Commission

Governor's Recommendation

The Governor recommends a delay in the transfer of \$200,000 from the EDIF to the Kansas Arts Commission from January 1, 1989 to February 15, 1989, in order to better match anticipated EDIF cashflow.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation.

Senate Committee Recommendation

The Senate Committee concurs with the Senate Subcommittee.

Senate Committee of the Whole Recommendation

The Senate Committee of the Whole concurs with the Committee's recommendation.

Section 6 -- Department of Corrections

Governor's Recommendation

The Governor recommends the transfer of \$1,305,138 in FY 1989 from the State General Fund to the Correctional Industries Fund to allow for development of new correctional industries programs at the Hutchinson Correctional Work Facility and the Ellsworth Correctional Work Facility.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation, with the following exception:

1. A technical adjustment to correctly reflect the new expenditure limitation on the Correctional Industries Fund of \$8,813,212 in FY 1989.

Senate Committee Recommendation

The Senate Committee concurs with the Senate Subcommittee.

Senate Committee of the Whole Recommendation

The Senate Committee of the Whole concurs with the Committee's recommendation.

Section 7 -- Ellsworth Correctional Work Facility

Governor's Recommendation

The Governor recommends a State General Fund supplemental appropriation of \$2,129,812 in FY 1989 to provide operations expenditures for housing 200 additional inmates and 100.5 new staff positions at the Ellsworth facility. The 100.5 FTE new positions were approved by the State Finance Council on September 2, 1988.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

Senate Committee Recommendation

The Senate Committee concurs with the Senate Subcommittee.

Senate Committee of the Whole Recommendation

The Senate Committee of the Whole concurs with the Committee's recommendation.

Section 8 -- Hutchinson Correctional Work Facility

Governor's Recommendation

The Governor recommends a State General Fund supplemental appropriation of \$2,478,529 in FY 1989 to provide operations expenditures and the acquisition of furniture and equipment for the 400 inmates and 146.0 FTE staff positions at the facility, which will become operational in March of 1989. The Governor's recommendation also reduces the approved FY 1989 position limitation of the facility by 20.0; the 20 positions are transferred to Kansas Correctional Industries, as requested by the Department of Corrections.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

Senate Committee Recommendation

The Senate Committee concurs with the Senate Subcommittee.

Senate Committee of the Whole Recommendation

The Senate Committee of the Whole concurs with the Committee's recommendation.

Section 9 -- Attorney General

Governor's Recommendation

The Governor recommends the approval of five tort claims settlements in FY 1989 totaling \$164,200 from the Tort Claims Fund. The five claims and amounts of proposed settlements are:

<u>Susan Mudd v. Hellen Zagar</u>	\$ 2,000
<u>Torres v. State of Kansas, et. al.</u>	1,300
<u>Choate v. State of Kansas</u>	85,000
<u>Colgate-Palmolive Employees Credit Union v. Kansas Department of Revenue, et. al.</u>	900
<u>Michael Dey v. State of Kansas</u>	<u>75,000</u>
TOTAL	<u>\$ 164,200</u>

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's FY 1989 recommendation with the following exceptions:

1. Delete \$75,000 and strike Michael Dey v. State of Kansas.
2. Strike subsection (c) which transfers \$164,200 from the State General Fund to the Tort Claims Fund. The language is superfluous.

Senate Committee Recommendation

1. Add \$75,000 and Michael Dey v. State of Kansas.

Senate Committee of the Whole Recommendation

The Senate Committee of the Whole concurs with the Committee's recommendation.

New Section -- Judicial Branch

Governor's Recommendation

The Governor did not address this issue.

Senate Subcommittee Recommendation

The Subcommittee recommends \$10,000 in FY 1989 from the State General Fund for the Judicial and Professional Review line-item. The supplemental appropriation is necessary because of extraordinary investigation and prosecution expenditures experienced by the Commission on Judicial Qualifications.

Senate Committee Recommendation

The Senate Committee concurs with the recommendation of the Senate Subcommittee.

Senate Committee of the Whole Recommendation

The Senate Committee of the Whole concurs with the Committee's recommendation.

New Section -- Board of Tax Appeals

Governor's Recommendation

The Governor did not address this item in S.B. 30.

Senate Subcommittee Recommendation

The Subcommittee recommends a supplemental State General Fund appropriation of \$111,938 for purchasing a new computer system to be used in conjunction with hearings from statewide reappraisal appeals.

Senate Committee Recommendation

The Senate Committee concurs with the recommendation of the Senate Subcommittee.

Senate Committee of the Whole Recommendation

The Senate Committee of the Whole concurs with the Committee's recommendation.

SUBCOMMITTEE REPORT

Agency: Kansas Commission on
Civil Rights

Bill No. 2063

Bill Sec. 10

Analyst: Rothe

Analysis Pg. No. 545

Budget Pg. No. 110

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 926,641	\$ 937,224	\$ --
Special Revenue Funds	441,910	442,609	--
TOTAL	<u>\$ 1,368,551</u>	<u>\$ 1,379,833</u>	<u>--</u>
FTE Positions	40.0	40.0	--

Agency Estimate/Governor's Recommendations

The 1988 Legislature approved an FY 1989 operating budget of \$1,371,845 for the Commission, including \$928,931 from the State General Fund, \$441,910 from federal funds and \$1,004 from the sale of equipment. The Commission's FY 1989 estimate of \$1,368,551 is \$3,294 below the amount approved and includes \$926,641 from the State General Fund and \$441,910 from federal funds. The budget provides funding for 40 FTE positions, as approved.

The Governor's FY 1989 recommendation of \$1,379,833 is an increase of \$11,282 above the agency's estimate due to health insurance adjustments. The recommendation results in a supplemental State General Fund appropriation of \$10,583 and an increase of \$699 in the federal fund expenditure limitation.

House Subcommittee Recommendations

FY 1989. The House Subcommittee concurs with the Governor's recommendation with the following adjustments:

1. Make a technical adjustment in the supplemental bill (H.B. 2063) to reflect the Governor's intent. The adjustment includes reducing the supplemental State General Fund appropriation by \$696 and increasing the federal fund expenditure limitation by \$699.

2. **Federal Fund Analysis.** The Subcommittee makes no adjustments to the Governor's estimates for federal fund expenditures (which finance 32.1 percent of agencywide expenditures for FY 1989 and 28.8 percent for FY 1990). The federal fund ending balance has been spent down from \$724,402 in FY 1985 to \$43,547 in FY 1989 and an estimated \$655 in FY 1990 to lessen the burden on the State General Fund. The Subcommittee learned that due to a significant financing decrease in the FY 1989 federal Equal Employment Opportunity Commission (EEOC) contract, the ending balance could actually be a deficit of \$6,053 in FY 1989 and a deficit of \$48,945 by the end of FY 1990. The agency has received word from the EEOC that an upward modification will be made in the FY 1989 contract, but the amount will not be available until March, 1989. The Subcommittee urges the Senate Subcommittee to address the declining federal fund balance upon receipt

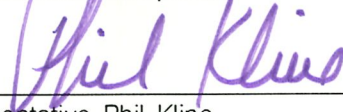
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Attachment 2

of updated contract amounts. The resource estimate, based upon the Governor's recommendation, follows:

<u>Resource Estimate</u>	<u>Actual FY 88</u>	<u>Gov. Rec. FY 89</u>	<u>Gov. Rec. FY 90</u>
Beginning Balance	\$ 140,380	\$ 100,123	\$ 42,848
Net Receipts	<u>379,312</u>	<u>385,334</u>	<u>378,750</u>
Total Available	\$ 519,692	\$ 485,457	\$ 421,598
Less: Expenditures	<u>419,569</u>	<u>442,609</u>	<u>420,943</u>
Ending Balance	<u>\$ 100,123</u>	<u>\$ 42,848</u>	<u>\$ 655</u>



Representative Wanda Fuller
Subcommittee Chairperson



Representative Phil Kline



Representative Kenneth Francisco

SUBCOMMITTEE REPORT

Agency: Kansas Commission on
Civil Rights

Bill No. 2064

Bill Sec. 4

Analyst: Rothe

Analysis Pg. No. 545

Budget Pg. No. 110

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 1,032,932	\$ 1,039,953	\$ --
Special Revenue Funds	<u>372,297</u>	<u>420,943</u>	<u>--</u>
TOTAL	<u>\$ 1,405,229</u>	<u>\$ 1,460,896</u>	<u>\$ --</u>
 FTE Positions	 40.0	 40.0	 --

Agency Estimate/Governor's Recommendations

The agency requests \$1,405,229 for FY 1990 for the salaries of 40 FTE positions and other operating costs. The request represents a 2.7 percent increase above the revised FY 1989 estimate and includes \$1,032,932 from the State General Fund and \$372,297 from federal funds. The portion of the budget financed from federal funds would decrease from 32.3 percent to 26.5 percent to enable the agency to maintain a \$50,000 federal fund ending balance.

The Governor recommends \$1,460,896 for FY 1990 expenditures, an increase of \$55,667 above the agency's request. The recommendation includes \$46,595 for a 4 percent salary increase for classified employees and a merit pool for unclassified employees, and \$24,786 for other salary adjustments. The Governor recommends reductions of \$9,659 from contractual services, \$3,050 from commodities, and \$3,015 from capital outlay. The recommendation includes \$1,039,953 from the State General Fund (an increase of \$7,021) and \$420,943 from federal funds (28.8 percent of the total, an increase of \$48,656). The Governor recommends a federal fund ending balance of \$655.

House Subcommittee Recommendations

FY 1990. The House Subcommittee concurs with the Governor's recommendation, but urges the Senate Subcommittee to address the federal fund ending balances. The agency expects an upward modification in its federal contract, but the amount will not be known until March. The resource estimate, as recommended by the Governor, follows:

<u>Resource Estimate</u>	<u>Actual FY 88</u>	<u>Gov. Rec. FY 89</u>	<u>Gov. Rec. FY 90</u>
Beginning Balance	\$ 140,380	\$ 100,123	\$ 42,848
Net Receipts	<u>379,312</u>	<u>385,334</u>	<u>378,750</u>
Total Available	\$ 519,692	\$ 485,457	\$ 421,598
Less: Expenditures	<u>419,569</u>	<u>442,609</u>	<u>420,943</u>
Ending Balance	<u>\$ 100,123</u>	<u>\$ 42,848</u>	<u>\$ 655</u>

Wanda Fuller

Representative Wanda Fuller
Subcommittee Chairperson

Phil Kline

Representative Phil Kline

Kenneth Francisco

Representative Kenneth Francisco

SUBCOMMITTEE REPORT

Agency: State Finance Council Bill No. 2064 Bill Sec. 7
 Analyst: Duffy Analysis Pg. No. 534 Budget Pg. No. 228

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 5,084	\$ 3,329	\$ --
Special Revenue Fund	--	--	--
FTE Positions	0.0	0.0	--

Agency Request/Governor's Recommendation

The agency submits an estimate for FY 1989 of \$1,600 and for FY 1990 of \$5,084 for compensation and travel of legislative members of the State Finance Council. The FY 1990 request provides funding for four meetings of the Finance Council. Actual FY 1988 expenditures were \$1,500. The agency's request also includes an FY 1989 transfer of \$5,000 from the State General Fund to the State Emergency Fund. This transfer would restore the balance of the State Emergency Fund to \$750,000.

The Governor concurs with the agency's request of \$1,600 in FY 1989 and recommends expenditures of \$3,329 in FY 1990. The FY 1990 recommendation includes \$1,302 for salaries and wages, \$678 less than the agency's request; and \$2,027 for other contractual services, \$1,077 less than the agency's request. The Governor's FY 1989 recommendation includes a transfer of \$5,000 from the State General Fund to the State Emergency Fund. The transfer is intended to restore the balance in the State Emergency Fund to \$750,000.

House Subcommittee Recommendation

FY 1989. The House Subcommittee concurs with the Governor's recommendation.

FY 1990. The House Subcommittee concurs with the Governor's recommendation with the following observation:

1. The House Subcommittee notes that in recent years a number of State Finance Council meetings have been all or impart telephone meetings. Also, State Finance Council meetings have been held when legislative members are present in Topeka for other legislative committee business, in which case no costs are incurred by the State Finance Council budget. The State Finance Council has experienced decreased expenditures. Actual FY 1988 expenditures were \$1,500. The House Subcommittee endorses this coordination between State Finance Council meetings and other legislative committee business and encourages the continuation of these cost-saving practices.

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Attachment 3


Representative Duane Goossen
Subcommittee Chairperson


Representative Jo Ann Pottorf


Representative Jack Shriver

SUBCOMMITTEE REPORT

Agency: Kansas Public Employees Retirement System (KPERs) Bill No. 2063 Bill Sec. 9
 Analyst: Conroy Analysis Pg. No. 549 Budget Pg. No. 390

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 2,888,973	\$ 2,880,283	\$ --
Aid to Local Units	36,729,342	36,453,239	--
Other Assistance	148,090,645	148,090,645	--
Total	\$ 187,708,960	\$ 187,424,167	\$ --
State General Fund:			
Aid to Local Units	\$ 36,729,342	\$ 36,453,239	\$ --
FTE Positions	64.0	64.0	--

Agency Estimate/Governor's Recommendation

The agency's FY 1989 revised estimate totals \$187,708,960. The revised FY 1989 estimate for operating expenses is \$2,888,973, the same amount as originally approved. The agency's FY 1989 estimate for state estimate for state aid to local units of government for public schools employers' contributions of \$36,729,342 reflects a State General Fund supplemental request of \$276,103. The FY 1989 revised estimate for other assistance of public employee benefits is \$148,090,645 or \$11,449,490 above the original FY 1989 amount.

The Governor's recommendation for FY 1989 is \$187,424,167 which includes a reduction of \$8,690 for state operations below the agency's request. However, the Governor does recommend an increase in the limitation on the salaries and wages subaccount by \$13,265 for increased health insurance costs. The Governor recommends \$36,453,239 for state aid to local units of government for public schools employers' contributions in the current year and therefore does not recommend any supplemental funds. The Governor concurs with the agency's revised estimate of \$148,090,645 for employee benefits.

House Subcommittee Recommendations

FY 1989. The House Subcommittee concurs with the Governor's recommendations with the following adjustments:

1. Express concern over the apparent shortfall in the approved State General Fund amount of \$36,453,239 for state aid to local units of government for public schools employers' contributions. Based on the available information it appears that a supplemental appropriation from the State General Fund for public school employers' contributions will be required in FY 1989. The higher than anticipated public school salary increases in the current year, with higher than anticipated credit hour production for community colleges are two major factors in precipitating the apparent need for supplemental funds. The Governor is currently

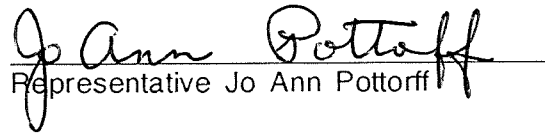
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Attachment 4*

considering the shortfall for possible inclusion in a Governor's Budget Amendment. The Subcommittee urges the Senate Ways and Means Committee to consider the supplemental funds once additional information is available from the agency and the Governor has dealt with the issue.

2. Encourage the agency to conduct a special "comfort audit" on the validity of the actuarial assumptions being used by the KPERS actuary. The Subcommittee notes that the last "comfort audit" was conducted in 1983 and that the 1983 Legislature suggested that a "comfort audit" be conducted approximately every five years. The Subcommittee believes that the agency has available resources to fund the \$15,000 cost to conduct the audit in the current year.
3. Express dismay that the agency was recently informed by the Division of Information Systems and Communications (DISC), Department of Administration that an additional \$65,000 will be needed in the current year to meet DISC charges to the agency. The Subcommittee is extremely frustrated that DISC has not provided clear and concise information to the agency for the additional charges or a clear statement for routine charges billed to the agency. The Subcommittee does not recommend any additional funds for DISC charges in the current year until such time as DISC can respond to the billing concerns of the agency. The Subcommittee recommends that the Senate Ways and Means Committee review the issue once DISC has clarified and justified the computer billings to the agency.



Representative Duane A. Goossen
Subcommittee Chairman



Representative Jo Ann Pottorff



Representative Jack Shriver

SUBCOMMITTEE REPORT

Agency: Kansas Public Employees Retirement System (KPERs) Bill No. 2064

Bill Sec. 2

Analyst: Conroy

Analysis Pg. No. 549

Budget Pg. No. 390

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 3,266,393	\$ 2,903,995	\$ --
Aid to Local Units	39,706,436	38,002,502	--
Other Assistance	<u>159,017,859</u>	<u>159,017,859</u>	--
Total	<u>\$ 201,990,688</u>	<u>\$ 199,924,356</u>	<u>\$ --</u>
State General Fund:			
Aid to Local Units	\$ 39,706,436	\$ 38,002,502	\$ --
FTE Positions	65.5	64.0	--

Agency Request/Governor's Recommendation

The KPERs operating budget request for FY 1990 totals \$201,990,688. The agency request for state operations of \$3,266,393 is a 13.1 percent increase above the agency's FY 1989 estimate. In state operations the agency is proposing 1.5 additional FTE positions, a computer software interface package, a special actuary "comfort audit," and additional computer equipment. An increase of 8.1 percent is reflected in the local aid amount for public school employers' contributions for an anticipated growth in the public school employee covered payroll in FY 1990. Public employees retirement and disability benefits are estimated to increase by 7.4 percent or \$10,927,214.

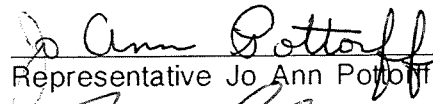
For FY 1990 the Governor recommends a total budget of \$199,924,356 or \$2,066,332 below the agency's request. The Governor's recommendation for state operations is \$2,903,995 or \$326,398 less than the agency requested. The Governor does not recommend any additional staff, but does recommend a partial computer upgrade in FY 1990. The Governor recommends \$38,002,502 or \$1,703,934 less than the agency request for public school employers' contributions. The FY 1990 recommendation is based on budget limitations of 2.0 percent to 4.0 percent and an employer contribution rate of 3.1 percent. The Governor concurs with the agency request of \$159,017,859 for public employee retirement and disability payments.

House Subcommittee Recommendations

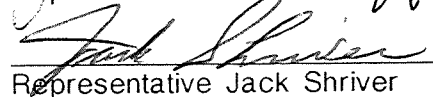
FY 1990. The House Subcommittee concurs with the Governor's recommendation in the budget year.



Representative Duane A. Goossen
Subcommittee Chairman



Representative Jo Ann Pottorff



Representative Jack Shriver

SUBCOMMITTEE REPORT

Agency: Department of Administration Bill No. 2063

Bill Sec. 14

Analyst: Duffy

Analysis Pg. No. 507

Budget Pg. No. 22

<u>Expenditure Summary*</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 20,398,990	\$ 20,584,887	\$ (98,000)
Aid to Local Units	1,667,572	1,782,807	--
Other Assistance	32,000	32,000	--
Subtotal - Operating	\$ 22,098,562	\$ 22,399,694	\$ (98,000)
Capital Improvements	1,132,133	3,258,293	--
TOTAL	\$ 23,230,695	\$ 25,657,987	\$ (98,000)
State General Fund:			
State Operations	\$ 19,187,965	\$ 19,375,047	\$ (98,000)
Other Assistance	--	--	--
Subtotal - Operating	\$ 19,187,965	\$ 19,375,047	\$ (98,000)
Capital Improvements	1,132,133	3,258,293	--
TOTAL	\$ 20,320,098	\$ 22,633,340	\$ (98,000)
FTE Positions (Reportable Budget)			
	434.0	434.0	--
FTE Positions (Nonreportable Budget)			
	496.0	496.0	--

* In addition to this reportable budget, the Department of Administration has total nonreportable budget estimates of \$63,171,868 in FY 1989. The Governor recommends a total nonreportable budget of \$62,846,295 in FY 1989. Expenditures are included in the reportable operating budget of user agencies. Those expenditures would represent a duplication, if they were also included as reportable expenditures in the Department of Administration.

Agency Estimate/Governor's Recommendation

Revised FY 1989 Reportable Expenditure Summary. The revised FY 1989 State General Fund operating budget estimate of \$19,187,965 is a reduction of \$52,622 from the authorized General Fund operating budget of \$19,240,587. Also included in the FY 1989 operating budget is the estimated expenditure of \$2,931,191 from special revenue funds, a reduction of \$20,594 from the approved expenditure level.

The Governor recommends a State General Fund FY 1989 operating budget of \$19,375,047, an increase of \$134,460 over the approved General Fund operating budget of \$19,240,587. Also for the FY 1989 operating budget, the Governor recommends \$3,024,647 from special revenue funds. The Governor recommends \$3,258,293 from the State General Fund for capital improvements, \$2,126,160 more than the agency's estimate. This recommendation requires a State General Fund supplemental appropriation of \$2,126,160 and would provide for the renovation of elevators in the Landon and Docking State Office buildings.

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Revised FY 1989 Nonreportable Expenditure Summary. The revised FY 1989 nonreportable operating budget estimate of \$59,842,518 reflects an increase of \$2,063,247 over the approved nonreportable operating budget of \$57,779,271.

The Governor recommends an FY 1989 nonreportable operating budget of \$59,775,106, an increase of \$1,995,835 over the approved nonreportable operating budget of \$57,779,271. The Governor's FY 1989 recommendation for the nonreportable operating budget is \$67,412 less than the amount estimated by the Department.

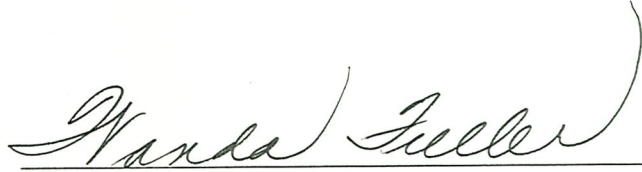
House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendation, with the following adjustments:

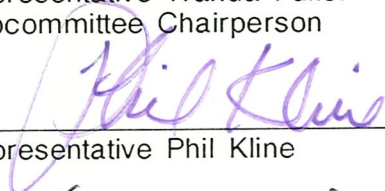
1. Delete \$53,000 from the State General Fund for Accounting and Reporting Services, based upon the Subcommittee's review of salary and wage expenditures during the first seven months of FY 1989. The Subcommittee notes that this would eliminate the Governor's recommendation for a state general fund supplemental for this division and the remainder of the savings would be reappropriated as an offset to the FY 1990 appropriation.
2. Delete \$45,000 from the State General Fund for Personnel Services, based upon the Subcommittee's review of salary and wage expenditures during the first seven months of FY 1989. The Subcommittee recommends that these savings be reappropriated as an offset to the FY 1990 appropriation.
3. The Subcommittee reviewed the FY 1989 state general fund supplemental appropriation of \$172,834 recommended by the Governor for Architectural Services and Planning. The Subcommittee concludes that a serious backlog of projects exists and that the supplemental appropriation is necessary to address the current backlog of projects. The Subcommittee expects that this supplemental appropriation will correct the problem and notes that this area should be reviewed carefully by the 1990 Legislature.
4. Reduce FY 1989 expenditures from the Motor Pool Service Fund by \$72,775, a nonreportable budget item, based on the Subcommittee's review of current year operating expenditures. The Subcommittee's recommendation would reduce the supplemental increase in expenditures recommended by the Governor from \$156,493 to \$83,718. The Subcommittee is aware of the increases in the motor pool rates in FY 1989 and FY 1990 and anticipates that these recognized savings, as well as other saving experience by the motor pool in FY 1989 will be reflected in revised FY 1990 motor pool rates.
5. The Subcommittee recommends additional expenditures of \$10,663 from the Motor Pool Service Fund in FY 1989 for the outright purchase of computer equipment to reconstruct the computer operations of the motor pool. The agency requested and the Governor recommended financing the requested equipment with certificates of participation over a three year period. The Subcommittee believes that the balances in the motor pool depreciation fund are adequate to accommodate this purchase.

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6. Reduce FY 1989 expenditures from the Information Technology Fund by \$100,000, a nonreportable budget item, based on the Subcommittee's review of current year operating expenditures. The Subcommittee anticipates that these recognized savings, as well as other savings experienced by DISC in FY 1989 will be reflected in revised FY 1990 rates.



Representative Wanda Fuller
Subcommittee Chairperson



Representative Phil Kline



Representative Ken Francisco

SUBCOMMITTEE REPORT

Agency: Department of Administration Bill No. 2064

Bill Sec. 6

Analyst: Duffy

Analysis Pg. No. 507

Budget Pg. No. 22

<u>Expenditure Summary*</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 22,246,545	\$ 21,687,283	\$ (3,478,209)
Aid to Local Units	1,233,834	1,366,894	--
Other Assistance	32,000	32,000	--
Subtotal - Operating	\$ 23,512,379	\$ 23,086,177	\$ (3,478,209)
Capital Improvements	1,297,030	1,270,430	--
TOTAL	\$ 24,809,409	\$ 24,356,607	\$ (3,478,209)
State General Fund:			
State Operations	\$ 21,180,567	\$ 20,625,010	\$ (3,478,209)
Other Assistance	--	--	--
Subtotal - Operating	\$ 21,180,567	\$ 20,625,010	\$ (3,478,209)
Capital Improvements	1,271,230	1,244,630	--
TOTAL	\$ 22,451,797	\$ 21,869,640	\$ (3,478,209)
FTE Positions (Reportable Budget)	454.0	433.0	--
FTE Positions (Nonreportable Budget)	517.0	501.0	--

* In addition to this reportable budget, the Department of Administration has a total nonreportable budget request of \$65,982,120 in FY 1990. The Governor recommends a total nonreportable budget of \$66,407,711 in FY 1990. Expenditures are included in the reportable operating budget of user agencies. Those expenditures would represent a duplication, if they were also included as reportable expenditures, in the Department of Administration.

Agency Request/Governor's Recommendation

Reportable Budget Summary. The FY 1990 reportable operating request of \$23,512,379 is an increase of 6.4 percent or \$1,413,817, over the FY 1989 revised operating request of \$22,098,562. The operating request includes \$22,246,545 for state operations, \$1,233,834 for aid to local units and \$32,000 for other assistance, grants, and benefits. The FY 1990 salary and wage request of \$13,846,965 would support 454.0 FTE positions. The Department requests \$701,415, including fringe benefits, for 24.0 new FTE positions and deletes 4.0 FTE positions for a net increase in the on budget position limitation of 20.0 FTE positions. The agency requests other operating expenditures in FY 1990 of \$8,399,580. The agency requests expenditures for capital improvements of \$1,297,030, of which \$1,271,230 is from the State General Fund and \$25,800 is from special revenue funds.

The Governor recommends \$23,086,178 for the FY 1990 reportable operating budget, a decrease of \$426,202 from the agency's request. The Governor's recommendation for reportable operating expenditures includes \$21,687,283 for state operations, \$1,366,894 for aid to local units, and \$32,000 for other assistance. The FY 1990 salary

and wage request of \$13,981,525 would support 433.0 FTE positions. The FY 1990 salary and wage budget includes net funding for new positions (\$39,721, including fringe benefits); a 4 percent salary increase for classified employees (\$466,824, including fringe benefits); a 5.8 percent merit pool for unclassified employees (\$51,074, including fringe benefits); implementation of Phase III (\$25,471, including fringe benefits); step movement salary increases for eligible employees; a 3.1 percent turnover rate (a reduction of \$452,735 from gross salaries and wages); and increased expenditures for employee health insurance. The Governor recommends \$7,705,759 for other operating expenditures in FY 1990, \$693,821 less than the agency's request. The Governor recommends expenditures of \$1,244,630 from the State General Fund and \$25,800 from special revenue funds for capital improvements.

Nonreportable Budget Summary. The FY 1990 nonreportable operating request of \$64,596,767 is a 7.9 percent increase over the FY 1989 estimated revised operating request of \$59,842,517. The FY 1990 salary and wage request of \$13,281,773 would support 517.0 FTE positions, an increase of 21.0 FTE over the 496.0 approved for FY 1989. The Department requests \$770,992, including fringe benefits, for 26.0 FTE positions and deletes 5.0 FTE positions for a net increase in the off budget positions of 21.0 FTE positions. The agency requests other operating expenditures in FY 1990 of \$46,025,554. The operating request includes \$59,307,327 for state operations and \$5,289,440 for other assistance, grants and benefits. The agency requests expenditures for capital improvements of \$1,385,353.

The Governor recommends \$64,189,294 for the FY 1990 nonreportable operating budget, a decrease of \$407,473 from the agency's request. The Governor's recommendation includes \$58,889,854 for state operations and \$5,289,440 for assistance, grants and benefits. The FY 1990 salary and wage budget recommendation includes net funding for 5.0 additional FTE positions (\$353,008, including fringe benefits); a 4 percent salary increase for classified employees (\$453,816); a 5.8 percent merit pool for unclassified employees (\$22,275); implementation of Phase III (\$77,126, including fringe benefits); step movement salary increases for eligible employees; a turnover rate of 3.5 percent (a reduction of \$504,213 to gross salaries and wages); and increased expenditures for employee health insurance. The Governor recommends \$45,155,649 for other operating expenditures in FY 1990, \$869,905 less than the agency's request. The Governor recommends expenditures for capital improvements of \$2,218,477.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendations with the following adjustments:

1. At the request of the Chairman of Appropriations, the Subcommittee recommends that the line items in the appropriation bill for DISC (i.e., Information Technology Fund, Information Technology Reserve Fund, Central Mail Services Fund), and the State General Fund line-item (i.e., Central Management Information System and Computing Operations) be removed from the FY 1990 appropriation bill until the Chairman's further review.
2. The Subcommittee notes that the agency requested 2 Office Assistants III (\$37,908) to perform the presorting of mail from Shawnee County based state agencies to the U.S. Post Office. Mail presorting saves the state 2.7 cents per letter and currently is performed by a private contractor. The current contract for presorting is for an annual cost of

\$72,500. In response to the Subcommittee's inquiry, the Department responded that at the present time there is not space available for the presorting. It is the Subcommittee's opinion that this is a potential area for cost savings and that the Department should pursue space to accommodate such an operation.

3. The Subcommittee recommends that the Joint Committee on State Building Construction review the current law pertaining to the Construction Defects Recovery Fund (K.S.A. 75-3785). The Subcommittee is supportive of a change in the existing law which would provide greater flexibility to allow the use of proceeds in the fund for certain capital improvement projects other than those currently covered under the existing law.
4. A final technical matter, the Subcommittee recommends that the balance of \$125 in the gifts for the sculpture for the supreme court building fund be transferred to the State General Fund. The project for which the receipts were received has been completed.



Representative Wanda Fuller
Subcommittee Chairperson



Representative Phil Kline



Representative Ken Francisco

HOUSE BILL NO. _____

By Committee on Appropriations

AN ACT concerning workers compensation; relating to permanent partial general disabilities and medical, physical and vocational rehabilitation; amending K.S.A. 1988 Supp. 44-510e and 44-510g and repealing the existing sections.

Be it enacted by the Legislature of the State of Kansas:

Section 1. K.S.A. 1988 Supp. 44-510e is hereby amended to read as follows: 44-510e. (a) If the employer and the employee are unable to agree upon the amount of compensation to be paid in the case of injury not covered by the schedule in K.S.A. 44-510d and amendments thereto, the amount of compensation shall be settled according to the provisions of the workers compensation act as in other cases of disagreement, except that in case of temporary or permanent partial general disability not covered by such schedule, the employee shall receive weekly compensation as determined in this subsection during such period of temporary or permanent partial general disability not exceeding a maximum of 415 weeks. Weekly compensation for temporary partial general disability shall be 66 2/3% of the difference between the average gross weekly wage that the employee was earning prior to such injury as provided in the workers compensation act and the amount the employee is actually earning after such injury in any type of employment, except that in no case shall such weekly compensation exceed the maximum as provided for in K.S.A. 44-510c and amendments thereto. Permanent partial general disability exists when the employee is disabled in a manner which is partial in character and permanent in quality and which is not covered by the schedule in K.S.A. 44-510d and amendments thereto. The extent of permanent partial general disability shall be the extent, expressed as a percentage, to which the ability of the employee to perform obtain and retain work in the open labor market and to

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Attachment 6

earn comparable wages has been reduced, taking into consideration the employee's education, training, experience and capacity for rehabilitation, except that in any event the extent of permanent partial general disability shall not be less than percentage of functional impairment. Functional impairment means the extent, expressed as a percentage, of the loss of a portion of the total physiological capabilities of the human body as established by competent medical evidence. There shall be a presumption that the employee has no work disability if the employee engages in any work for wages comparable to the average gross weekly wage that the employee was earning at the time of the injury. The amount of weekly compensation for permanent partial general disability shall be determined: (1) By multiplying the average gross weekly wage of the worker prior to such injury by the percentage of permanent partial general disability as determined under this subsection; and (2) by then multiplying the result so obtained by 66 2/3%. The amount of weekly compensation for permanent partial general disability so determined shall in no case exceed the maximum as provided for in K.S.A. 44-510c and amendments thereto. If there is an award of permanent disability as a result of the compensable injury, there shall be a presumption that disability existed immediately after such injury. In any case of permanent partial disability under this section, the employee shall be paid compensation for not to exceed 415 weeks following the date of such injury, subject to review and modification as provided in K.S.A. 44-528 and amendments thereto.

(b) If an employee has received an injury for which compensation is being paid, and the employee's death is caused by other and independent causes, any payment of compensation already due the employee at the time of death and then unpaid shall be paid to the employee's dependents directly or to the employee's legal representatives if the employee left no dependent, but the liability of the employer for the payments of compensation not yet due at the time of the death of such employee shall cease and be abrogated by the employee's death.

(c) The total amount of compensation that may be allowed or

awarded an injured employee for all injuries received in any one accident shall in no event exceed the compensation which would be payable under the workers compensation act for permanent total disability resulting from such accident.

(d) Where a minor employee or a minor employee's dependents are entitled to compensation under the workers compensation act, such compensation shall be exclusive of all other remedies or causes of action for such injury or death, and no claim or cause of action against the employer shall inure or accrue to or exist in favor of the parent or parents of such minor employee on account of any damage resulting to such parent or parents on account of the loss of earnings or loss of service of such minor employee.

(e) In any case of injury to or death of a female employee, where the female employee or her dependents are entitled to compensation under the workers compensation act, such compensation shall be exclusive of all other remedies or causes of action for such injury or death, and no claim or action shall inure, accrue to or exist in favor of the surviving husband or any relative or next of kin of such female employee against such employer on account of any damage resulting to such surviving husband or any relative or next of kin on account of the loss of earnings, services, or society of such female employee or on any other account resulting from or growing out of the injury or death of such female employee.

Sec. 2. K.S.A. 1988 Supp. 44-510g is hereby amended to read as follows: 44-510g. (a) A primary purpose of the workers compensation act shall be to restore to the injured employee the ability to ~~perform~~ obtain and retain work in the open labor market and to earn comparable wages, as determined pursuant to subsection (a) of K.S.A. 44-510e and amendments thereto. To this end, the director shall appoint, subject to the approval of the secretary, a specialist in medical, physical and vocational rehabilitation, who shall be referred to as the rehabilitation administrator. The director shall appoint, subject to the approval of the secretary, four assistant rehabilitation

administrators. The rehabilitation administrator and the assistant rehabilitation administrators shall be in the classified service under the Kansas civil service act. The rehabilitation administrator and the assistant rehabilitation administrators, subject to the direction of the rehabilitation administrator, shall: (1) Continuously study the problems of physical and vocational rehabilitation; (2) investigate and maintain a directory of all rehabilitation facilities, public or private, in this state, and, where such rehabilitation administrator determines necessary, in any other state; and (3) be fully knowledgeable regarding the eligibility requirements of all state, federal and other public medical, physical and vocational rehabilitation facilities and benefits. With respect to private facilities and agencies providing medical, physical and vocational rehabilitation services, including rehabilitation service programs provided directly by employers, the director shall approve as qualified such facilities, institutions, agencies, employer programs and physicians as are capable of rendering competent rehabilitation services. No such facility, institution, agency or employer program shall be considered qualified unless it is specifically equipped to provide rehabilitation services for persons suffering from either some specialized type of disability or some general type of disability within the field of occupational injury or disease, and is staffed with trained and qualified personnel and, with respect to medical and physical rehabilitation, unless it is supervised by a physician qualified to render such service. No physician shall be considered qualified unless such physician has had such experience and training as the director may deem necessary.

(b) Under the direction of the director, and subject to the director's final approval, the rehabilitation administrator shall have the duties of directing and auditing medical, physical and vocational rehabilitation of employees in accordance with the provisions of this section.

(c) An employee who has suffered an injury shall be entitled to prompt medical and physical rehabilitation services as may be

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reasonably necessary to restore to such employee the ability to perform obtain and retain work in the open labor market and to earn comparable wages, as determined pursuant to subsection (a) of K.S.A. 44-510e and amendments thereto, and as provided in this section.

(d) When as a result of an injury or occupational disease which is compensable under the workers compensation act, the employee is unable to perform obtain and retain work for the same employer with or without accommodation or for which such employee has previous training, education, qualifications or experience, such employee shall be entitled to such vocational rehabilitation services, including retraining and job placement, as may be reasonably necessary to restore to such employee the ability to perform obtain and retain work in the open labor market and to earn comparable wages, as determined pursuant to subsection (a) of K.S.A. 44-510e and amendments thereto, and as provided in this section.

(e) (1) If the employee has remained off work for 90 days or if it is apparent to the director the employee requires vocational rehabilitation services and, in either case, if approved rehabilitation services are not voluntarily furnished to the employee by the employer, the director, on such director's own motion or upon application of any party, may refer the employee to a qualified public agency, if the employee is eligible, or private agency or facility, or the employer's rehabilitation service program, if qualified, for evaluation and for a report of the practicability of, need for, and kind of service, treatment, training or rehabilitation which is or may be necessary and appropriate to render such employee able to perform obtain and retain work in the open labor market and to earn comparable wages, as determined pursuant to subsection (a) of K.S.A. 44-510e and amendments thereto. The costs of such evaluation and report shall be at the expense of the employer. Each report shall contain a rehabilitation plan which shall adhere to the following priority listing of rehabilitation goals:

(A) The first priority is to return the employee to the same,

work for the same employer;

(B) the second priority is to return the employee to the same work, with accommodation, for the same employer;

(C) the third priority is to return the employee to other work, with or without accommodation, for the same employer;

(D) the fourth priority is to return the employee to the same work for another employer;

(E) the fifth priority is to return the employee to other work for another employer; and

(F) the sixth priority is to provide vocational rehabilitation, reeducation and training.

(2) Within 50 days after such referral, the report shall be submitted to and reviewed by the rehabilitation administrator and copies shall be furnished to each party. If all parties do not agree with the report, the rehabilitation administrator shall confer with the rehabilitation service provider, the employee and the employer to review the evaluation and the proposed rehabilitation plan in the report. The rehabilitation administrator shall ensure the evaluation and the rehabilitation plan are objective and reasonable and the rehabilitation goal is reasonably obtainable. Within 20 days after the initial review of the report, the rehabilitation administrator shall deliver copies of the report, together with the rehabilitation administrator's recommendations and any revisions of or objections to the rehabilitation plan, to each party, to the director and to the assigned administrative law judge, if there is one. Within 10 days after receipt of such report, any party may request a hearing before the director on any matter contained in the report or any such recommendations or revisions. After affording the parties an opportunity to be heard and present evidence, the director:

(A) May order any treatment, or medical and physical rehabilitation, as recommended in the report or as the director may deem necessary, be provided at the expense of the employer;

(B) may order the employer to pay temporary total disability compensation, computed as provided in K.S.A. 44-510c and

amendments thereto, or temporary partial disability compensation, computed as provided in K.S.A. 44-510e and amendments thereto, during the period of rehabilitation evaluation and continuing through the date the rehabilitation plan is delivered to the director as provided in subsection (e)(2). Temporary total or temporary partial disability compensation paid solely because of involvement in the rehabilitation evaluation process shall not be payable for more than 70 days from the date of the evaluation, except such temporary total or temporary partial disability compensation may be continued by the director for an additional period of not more than 30 days if circumstances outside the control of the employee prevents completion of the evaluation or the formulation of the rehabilitation plan;

(C) where vocational rehabilitation, reeducation or training is recommended in the report, or is deemed necessary by the director to restore to the employee the ability to perform obtain and retain work in the open labor market and to earn comparable wages, as determined pursuant to subsection (a) of K.S.A. 44-510e and amendments thereto, may direct the employee to the appropriate federal, state or other public facility or agency where such services will or may be provided at no cost to the employer, except as otherwise provided in this section, or, upon the request of the employer, to a qualified rehabilitation service program provided directly by the employer; and

(D) if the employee is not eligible for such vocational rehabilitation, reeducation or training through any such state, federal or other public facility or agency, or where such services through such facilities or agencies are not available to the employee within a reasonable period of time, may order such services be provided at the expense of the employer by any qualified private agency or facility in this state or any state contiguous to this state or by a qualified rehabilitation service program provided directly by the employer.

(3) Any vocational rehabilitation, reeducation or training to be provided at the expense of the employer under subsection (e)(2) shall not extend for a period of more than 36 weeks,

except, in extremely unusual cases, after a hearing and the presentation of evidence, the director, by special order, may extend the period for not more than an additional 36 weeks. The employer shall have a right to appeal to the district court any such special order by the director for any extension of the initial thirty-six-week period, within the time and in the manner provided in K.S.A. 44-556 and amendments thereto and any such special order shall be stayed until the district court has determined the appeal. There shall be no right of appeal to the Kansas supreme court or court of appeals from a judgment of the district court sustaining or overruling any such special order of the director.

(f) Where vocational rehabilitation, reeducation or training is to be furnished at the expense of the employer under this section, and such services require that the employee reside at or near a facility or institution, away from the employee's customary county of residence, either in or out of the state of Kansas, the reasonable costs of the employee's board, lodging and travel, not to exceed a maximum total of \$3,500 for any thirty-six-week period, shall be paid by the employer, except, in unusual cases where, after a hearing and the presentation of evidence the director finds the costs are clearly reasonable and necessary, the director may require by special order that the employer pay an additional amount for the costs of the employee's board, lodging and travel of not more than \$2,000.

(g) The employer shall pay temporary total disability compensation during any period of vocational rehabilitation, reeducation or training, computed as provided in K.S.A. 44-510c and amendments thereto, but the employer shall receive credit for any weekly, monthly or other monetary payments made to the employee or such employee's family by any state, federal or other public agency during any such period, exclusive of any such payments for the board, lodging and travel expenses of the employee. Subject to a maximum of 26 weeks, the number of weeks during which temporary total disability compensation is paid during vocational rehabilitation, reeducation or training shall

not be deducted from the maximum number of weeks available for the payment of disability compensation under the schedule provided in K.S.A. 44-510d and amendments thereto.

(h) The director shall cooperate with federal, state and other public or private agencies for vocational rehabilitation, reeducation or training, or medical or physical rehabilitation. The employer shall not be required to pay the reasonable costs of the employee's board, lodging and travel where such costs are borne by any federal, state or other public agency, nor shall any costs for vocational rehabilitation, reeducation or training be assessed to the employer if such vocational rehabilitation, reeducation or training is in fact furnished by and at the expense of any federal, state or other public agency.

(i) Whenever the director determines there is a reasonable probability that with appropriate medical, physical or vocational rehabilitation, reeducation or training, a person, who is entitled to compensation for permanent total disability, partial disability or any other disability under the workers compensation act, may be rehabilitated to the extent such person can become able to ~~perform~~ obtain and retain work in the open labor market and to earn comparable wages, as determined pursuant to subsection (a) of K.S.A. 44-510e and amendments thereto, and it is for the best interests of such person to undertake such rehabilitation, reeducation or training, if the injured employee without good cause refuses to undertake the rehabilitation, educational or training program determined by the director to be suitable for such employee or refuses to be evaluated under the provisions of subsection (e) and the refusal is not due to the employee's physical or mental ability to do so, the employee shall be considered as having elected not to participate in such rehabilitation, reeducation or training and the director may suspend the payment of any disability compensation until the employee consents to undertake such program or to be so evaluated. The director may reduce the disability compensation otherwise payable if any such refusal persists for a period in excess of 90 days, except disability compensation shall not be

reduced to less than that payable for permanent partial disability in accordance with K.S.A. 44-510d and amendments thereto or for permanent partial general disability for functional impairment in accordance with K.S.A. 44-510e and amendments thereto.

(j) At such time as any medical, physical or vocational rehabilitation, reeducation or training has been completed under this section, the employer shall have the right, by the filing of an application with the director, to seek a modification of any award which has been rendered granting any compensation to the employee for any disability. Upon at least 20 days' notice by registered mail to all parties, the director shall set the application for hearing and the parties shall present all material and relevant evidence. In the event the director determines the employee is rehabilitated so such employee is able to ~~perform~~ obtain and retain work in the open labor market and to earn comparable wages, as determined pursuant to subsection (a) of K.S.A. 44-510e and amendments thereto, the director shall modify any award of compensation or, if no such award has been made, the director shall make an award to reflect only such disability, if any, as exists at the conclusion of such rehabilitation. Any award of partial disability, or modification of an existing award, made pursuant to this subsection (j) shall be subject to the provisions of K.S.A. 44-510d and 44-510e and amendments thereto.

Sec. 3. K.S.A. 1988 Supp. 44-510e and 44-510g are hereby repealed.

Sec. 4. This act shall take effect and be in force from and after its publication in the statute book.

LWVK LEAGUE OF WOMEN VOTERS OF KANSAS

919½ South Kansas Avenue, Topeka, Kansas 66612 234-5152

STATEMENT TO THE HOUSE APPROPRIATIONS SUB-COMMITTEE on
House Bill 2195
by Myrna Stringer
February 15th, 1989

I am Myrna Stringer, speaking for the League of Women Voters.

League of Women Voters has not studied the issue of elected public official's salary, so I cannot speak to that subject specifically. However, the League of Women Voters Principle's state "that democratic government depends upon the informed and active participation of its citizens and requires that governmental bodies protect the citizen's right to know by giving adequate notice of proposed actions, holding open meetings, and making public records accessible".

The past several years, the veto/wrap-up session, during which budgets and significant legislation has passed, is an example of by-passing the citizens right to be informed and participate.

Last year, the "infamous" state pension plan passed during the veto session, with no way for the public to respond, and the recent Congressional pay raise issue which raised the ire of the public, I believe were not so much the money, as the process that allows that to happen.

League of Women Voters can support House Bill 2195 conceptually as good public policy.

Thank you.

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Attachment 7