

Approved 2/14/89  
Date

MINUTES OF THE SENATE COMMITTEE ON GOVERNMENTAL ORGANIZATION

The meeting was called to order by Senator Lana Oleen at  
Chairperson

1:30 ~~xxx~~/p.m. on February 7, 1989 in room 531-N of the Capitol.

All members were present except: Senator Gaines  
Senator Vidricksen - Excused

Committee staff present: Julian Efird - Research  
Jill Wolters - Revisor  
Ellen Piekalkiewicz - Research

Conferees appearing before the committee: Susan Duffy - Revenue  
Ramon Powers - Historical Society  
Brad Avery - K.A.P.E.  
Susan Irza - Department of Administration

Chairman Oleen reminded committee members discussion is to continue on the organizational changes within the Department of Revenue.

Susan Duffy briefed the Committee on the organization of the Dealers' Licensing Board as indepth information was requested. The Board is composed of eight members with six positions filled at this time. Yearly expenditures are \$4200 with members paid \$38.00 per meeting plus mileage, at an average cost of \$450 per meeting. A legal assistant is also present although there is no statutory obligation requiring his presence. It was noted that the Board does not have any statute authority. Testimony continued with an overview of the departmental organization of all divisions and section. Responsibilities and services provided by each unit were detailed. The office of communication is a new unit with the director holding an unclassified position. (Attachments 1,2,3,4)

Unclassified positions are the Special Assistant, Director of Taxation, Director of Property Valuation, Director of ABC and Director of Vehicles. Secretary Rolfs has proposed legislation that will unclassify the positions of Director of Collections and Director of Planning & Research Services. All steps employed by the Collections unit, Alcohol Beverage Control and Bingo Enforcement were outlined for the Committee. (Attachments 5,6)

Chairman Oleen made the motion to introduce the eight requests for legislation by the Department of Revenue as given on February 6; seconded by Senator Bogina. Motion carried. (Attachment 7)

Motion was made by Senator Francisco to introduce a bill that would establish a State Land Surveyors Office in the Department of Administration; seconded by Senator Bogina. Motion carried.

Brad Avery testified as to needs for the modification of the Civil Service Act and requested introduction of legislation by the Committee. (Attachment 8)

A Motion was made to introduce legislation for modification of the Civil Service Act by Senator Francisco; seconded by Senator Strick. Motion carried.

Ramon Powers testified in support of HB 2048 which would unclssify the position of Assistant Secretary of the Historical Society. This bill has not been assigned to the Committee for consideration at this time. (Attachment 9)

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON GOVERNMENTAL ORGANIZATION,  
room 531-N Statehouse, at 1:30 ~~xx~~/p.m. on February 7, 1989

Susan Irza explained the Awards Program and purpose of its inception. There is a need to ensure the full amount to be awarded not be subject to taxes by the receiver. This can be accomplished without increasing funding of \$10,000 for the Employees Award Board. Ms. Irza requested legislation be introduced amending KSA 75-37,110 and repealing the existing section. (Attachment 10)

Motion was made by Senator Bogina to introduce the legislation amending KSA 75-37,110 and repealing the existing section; seconded by Senator Strick. Motion carried.

Chairman Oleen reminded committee members of the event scheduled on February 27 in the evening which will be hosted by John Peterson and includes members of the House and Senate Governmental Organization Committees.

Meeting adjourned. The next meeting will be February 13, 1989.

GUEST LIST

COMMITTEE: SENATE GOVERNMENTAL ORGANIZATION

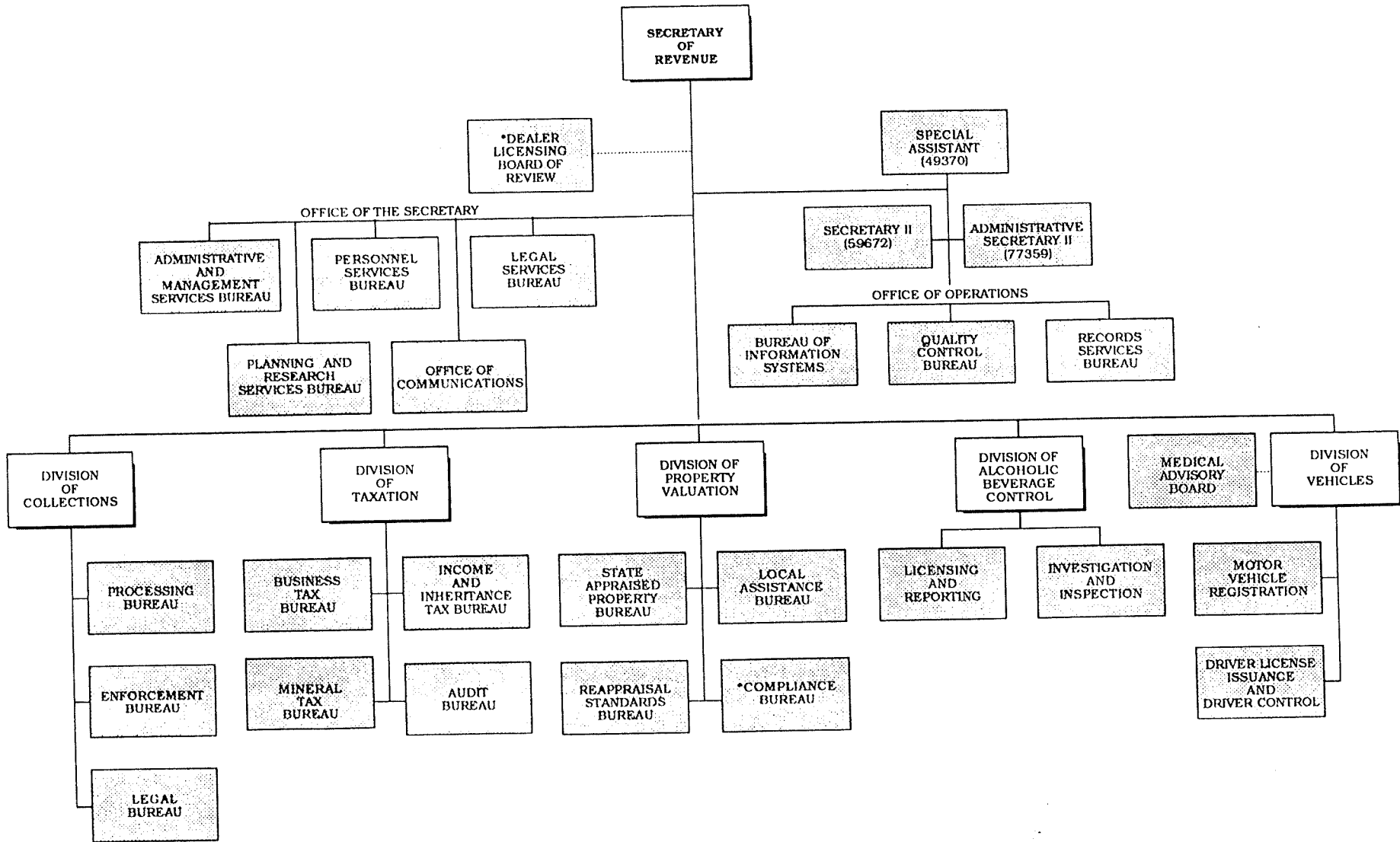
DATE 2/7/89

NAME	COMPANY / ORGANIZATION	ADDRESS
Milo Kratochvil	Employees Award Bd.	London Bldg -
Juan Woff	K-DP	ASOB
David Chan	KAPS	400 W 8th St #103
John Collins	DOA - DPS	951-S, L.S.O.B.
SUSAN IRZA	DOA - DPS	951-South LS03
Anne Smith	Heint + Ebert - Unisys	Tapeka
Ramon Poman	Kenn State Hist. Soc.	Tapeka
Jacque Oakes	KSL5	Tapeka
Nancy Kralig	Tapeka	Laterra San Francisco

ORGANIZATION CHART  
KANSAS DEPARTMENT OF REVENUE

Fiscal Year 1989 Authorized

1,333.5 TOTAL POSITIONS

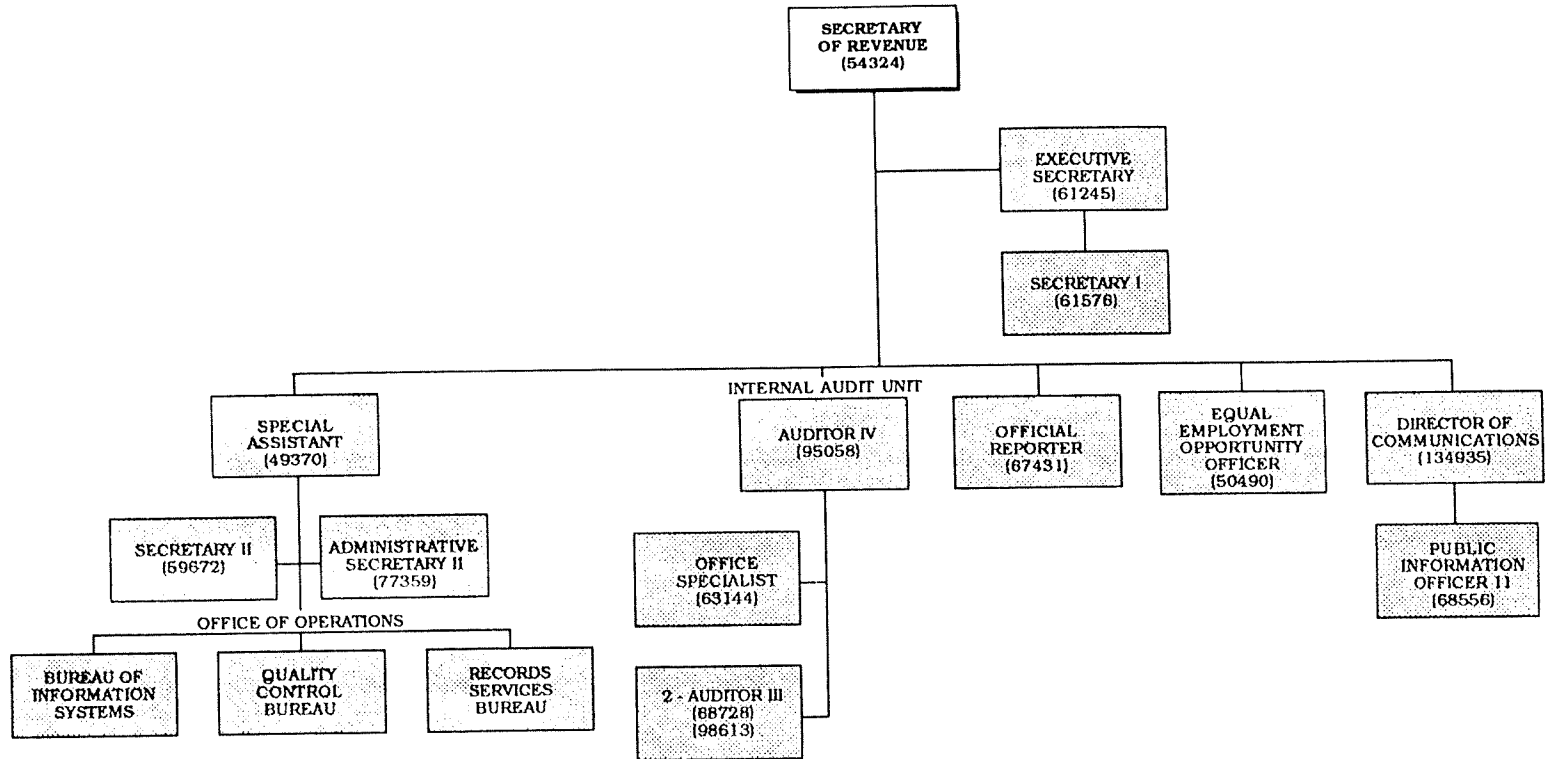


\* Dealer Licensing Board of Review - Proposed to be abolished in FY 1990  
 \* Property Valuation Compliance Bureau - Proposed to be added in FY 1990

S.G.O.  
2-7-89  
ATTACH-1

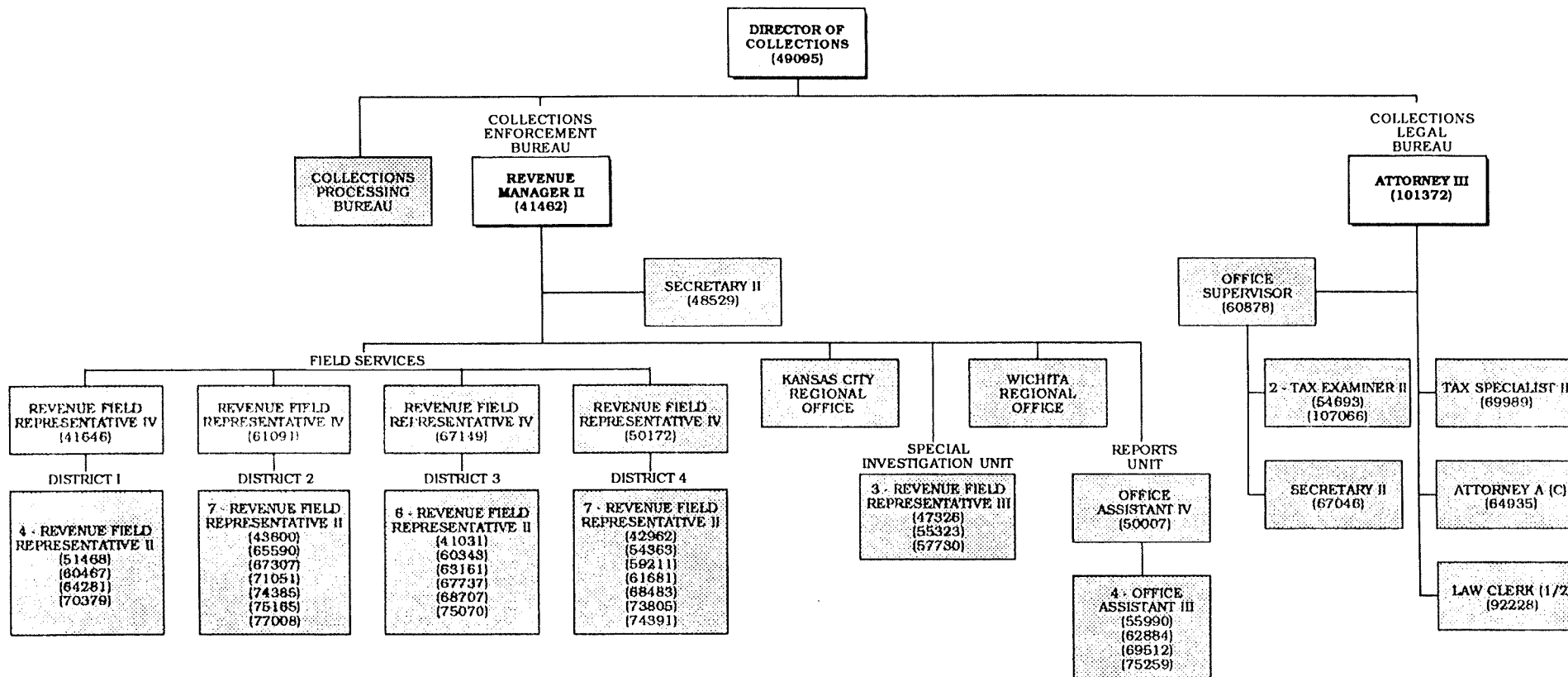
ORGANIZATION CHART  
KANSAS DEPARTMENT OF REVENUE

Office of the Secretary (0101)  
Fiscal Year 1989 Authorized  
13 TOTAL POSITIONS



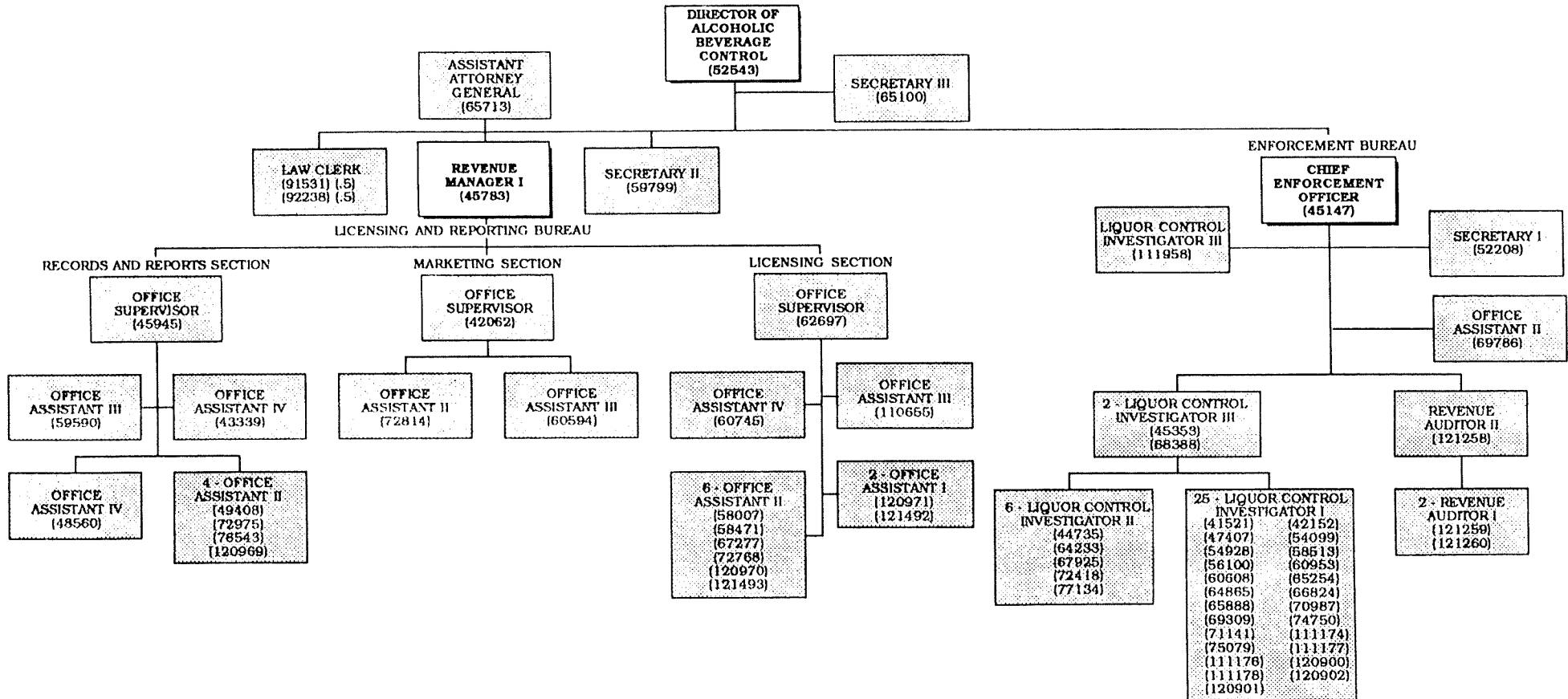
**ORGANIZATION CHART  
KANSAS DEPARTMENT OF REVENUE**

Division of Collections (7000)  
Division Administration (7001) 1 Total Position  
Collections Enforcement (7011) 70 Total Positions  
Collections Legal (7013) 7.5 Total Positions  
Fiscal Year 1989 Authorized



S.G.O.  
2-7-89  
ATTACH - 3

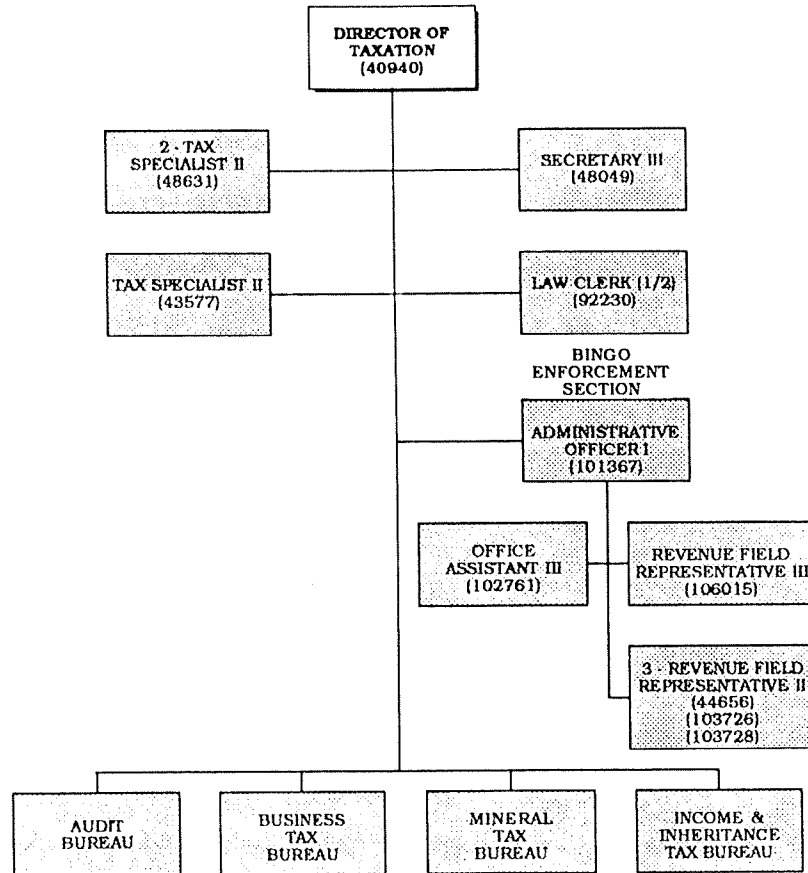
**ORGANIZATION CHART**  
**KANSAS DEPARTMENT OF REVENUE**  
 Alcoholic Beverage Control Division (6400)  
 Fiscal Year 1989 Authorized  
 Division Administration (6401) 6 TOTAL POSITIONS  
 Licensing and Reporting (6462) 22 TOTAL POSITIONS  
 Investigation and Inspection (6463) 39 TOTAL POSITIONS



ORGANIZATION CHART  
KANSAS DEPARTMENT OF REVENUE

Division of Taxation (8500)  
Division Administration (8501)  
Fiscal Year 1989 Authorized

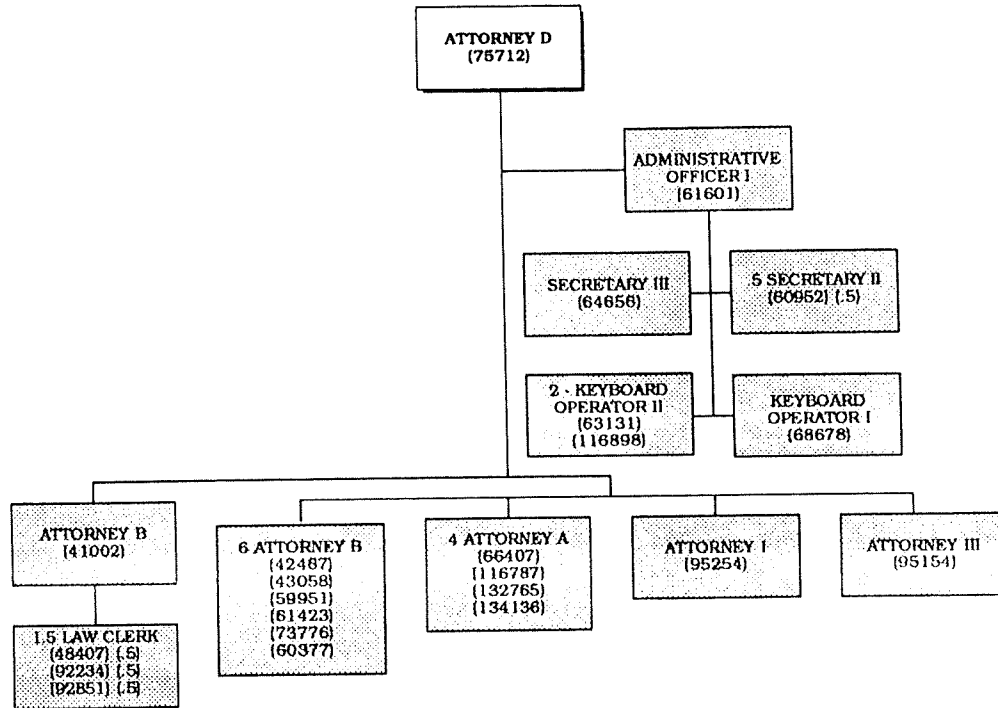
4.5 TOTAL POSITIONS





ORGANIZATION CHART  
 KANSAS DEPARTMENT OF REVENUE

Legal Services Bureau (0111)  
 Fiscal Year 1989 Authorized  
 21 TOTAL POSITIONS



SGD  
 2-7-89  
 ATTACH 6

KANSAS DEPARTMENT OF REVENUE  
Office of the Secretary  
Robert B. Docking State Office Building  
Topeka, Kansas 66612-1588

MEMORANDUM

TO: The Honorable Lana Oleen, Chairperson  
Senate Committee on Governmental Organization

FROM: Ed C. Rolfs, Secretary  
Department of Revenue

RE: Bill Requests

DATE: February 3, 1989

-----

Thank you for the opportunity to appear and request the introduction of certain bills affecting the operation of the Department of Revenue. The Department requests the following:

1. Introduction of a bill to authorize the storage and reproduction of documents through optical disk technology.
2. Introduction of a bill to extend liability for the payment of excise taxes (liquor excise tax, transient guest tax, etc.) to corporate officers; this authority already exists for sales and withholding taxes.
3. Introduction of a bill which would require that a business could not be issued a withholding tax registration certificate if the business is delinquent in taxes; a comparable provision currently exists for sales taxes.
4. Introduction of a bill which would allow both the directors of taxation and collections to (1) file injunctions; (2) waive or reduce tax penalties; (3) file tax warrants; (4) recoup collection fees from out-of-state taxpayers.
5. Introduction of a bill which would place the director of collections and the manager of planning and research in the unclassified service.
6. Introduction of a bill which would remove the Department of Revenue from the processing of intangibles tax returns and return that function to the local units.
7. Introduction of a bill to repeal K.S.A. 75-5119 - the statute creating the alcoholic beverage control board of review; the board was effectively abolished in 1987.

I would be happy to respond to any questions you might have regarding these proposals.

8. Introduction of a bill to transfer the Petroleum Measurement Enforcement unit from the Department of Revenue to the Board of Agriculture. *General Information (913) 296-3909*

*Office of the Secretary (913) 296-3041 • Legal Services Bureau (913) 296-2381  
Audit Services Bureau (913) 296-7719 • Planning & Research Services Bureau (913) 296-3081  
Administrative Services Bureau (913) 296-2331 • Personnel Services Bureau (913) 296-3077*

SG.O  
2-7-89  
attach 7

PROPOSALS FOR CIVIL SERVICE MODIFICATION

1) K.S.A. 75-2949(b) 1988 Supp. is amended to read:

If in the opinion of the appointing authority conditions warrant, the appointing authority may relieve the the employee of duties or change the duties of the employee during such period. If the employee is relieved from duty during such period, the employee ~~may~~ shall be continued in pay status, ~~of/relieved/of/leave/of/absence~~ ~~with/ pay/ by/ the/ appointing/ authority/~~

2) K.S.A. 2949(f) 1988 Supplement is amended to read:

The board shall grant the employee a hearing within 45 calendar days after receipt of such request. At the hearing the burden of proof shall be upon the ~~employee/ to/ establish/ that/ the/ action/ was/ for/ the/ good/ of/ the/ service.~~ ~~employee/ to/ establish/ that/ its/ action/ was/ for/ the/ good/ of/ the/ service.~~

3) K.S.A. 75-2949e(b) (1988 Supp.) is amended to read

Unless the appointing authority determines that the good of the service will be best served by proceeding directly to the procedure described in K.S.A. 75-2949 and amendments thereto, the appointing authority may propose dismissal, demotion or suspension of a permanent employee for deficiencies in work performance only after the employee has received two consecutive performance evaluations in the 180 calendar days immediately preceding the effective date of the proposed dismissal, demotion or suspension. ~~The/ second/ performance/ evaluation/ shall/ have/ begun/ no/ fewer/ than/ 30/ days/ from/ the/ end/ of/ the/ rating/ period/ of/ the/ first.~~ ~~The/ second/ performance/ evaluation/ shall/ have/ begun/ no/ fewer/ than/ 30/ days/ from/ the/ end/ of/ the/ rating/ period/ of/ the/ first.~~

4) K.S.A. 75-2949e(c) 1988 Supp. is amended to read:

If the appointing authority proposes to dismiss, demote or suspend a permanent employee for deficiencies in work performance without the two evaluations described by subsection (b) and if the employee appeals the action to the state civil service board, the board shall require the appointing authority to show that the employee was adequately counseled concerning the nature of the deficiencies in work performance and concerning what was expected of the employee in correcting the deficiencies and that a repetition occurred of the deficient performance for which the employee was counseled.

5) K.S.A. 75-2929d(c) 1988 Supp. is amended to read:

The board, or the director of personnel services when authorized by majority of the board, may take deposition of witnesses. Either party to a hearing may depose witnesses ~~with/ the/ appointing/ authority/ of/ the/ employee/ present/ parties/~~

6) K.S.A. 75-2948 is amended to read:

The name of every permanent employee so laid off shall be placed on the appropriate reemployment list for that agency, and the secretary of administration shall adopt rules and regulations pursuant to K.S.A. 75-3706 and amendments thereto detailing what preference is to be given persons on the reemployment list if, at the time of the layoff, the agency has classified positions filled by employees without permanent status, or if, during the life of the reemployment list, the agency has vacancies in ~~the/ class/ in/ which/ a/ layoff/ was/ made/ positions/ for/ which/ the/ laid/ off/ employee/ has/ the/ stated/ minimum/ qualifications.~~ ~~the/ class/ in/ which/ a/ layoff/ was/ made/ positions/ for/ which/ the/ laid/ off/ employee/ has/ the/ stated/ minimum/ qualifications.~~

TESTIMONY TO THE SENATE GOVERNMENTAL ORGANIZATION COMMITTEE  
February 7, 1989

Chairman Oleen and members of the Senate Governmental Organization Committee, I am Ramon Powers, Secretary/Executive Director of the Kansas State Historical Society. I appear in support of H.B. 2048 which would unclassify the position of Assistant Secretary of the Society.

At the present time the Secretary of the Kansas State Historical Society is the only employee of the Society in the unclassified service. All others, including the Assistant Secretary, are in the classified service. The Assistant Secretary must be a person in accord with the philosophy and goals that the Secretary has established for the Society and must be committed to the implementation of those goals. Since the Secretary and the Assistant Secretary must function as a team, the Assistant Secretary should be a person of the Secretary's choosing. The agency proposes amendments to K.S.A. 75-2935a, K.S.A. 75-3148, and K.S.A. Supp. 75-2935 that would place the Assistant Secretary in the unclassified service.

The House amendment makes the effective date of the bill upon publication in the State Register.

Testimony to  
SENATE GOVERNMENTAL ORGANIZATION COMMITTEE

by

Susan Irza, Director of Personnel Services

February 7, 1989

Good afternoon. Madam Chairman and members of the Committee, my name is Susan Irza. I am here as Director of the Division of Personnel Services, Department of Administration.

One of the Division of Personnel Services' responsibilities is to staff the Employee Award Board. This is a five person board made of three classified employees (Linda Morse, Kansas State University; Milo Kratochvil, Department of Transportation; Leo Taylor, Department of Corrections) and two unclassified employees appointed by the Legislature (Ben Barrett, Legislative Research Department; and Sue Bauman, Governor's Office).

One of the purposes of the Employee Award Board is what I want to talk about today. The Board reviews suggestions from employees and, after exploration of those suggestions, may award cash for suggestions that increase the efficiency and effectiveness of state agency operations.

The employee suggestion award program was started in 1980, but it did not flourish because of awkward and cumbersome procedures. In 1986, Senator Ben Vidricksen provided the leadership to substantially change the Employee Suggestion Award Program. Since that time it has become a successful program.

S.G.O.  
2-7-89  
ATTACH-10

The State of Kansas program received a national award for Performance Excellence from the National Association of Suggestion Systems. NASS membership is comprised of 1,000 North American businesses and governmental agencies. Since July 1, 1986, some 507 suggestions have resulted in estimated savings of over \$600,000.

The Employee Award Board requests that legislation be enacted so cash awards can be paid to employees in net amounts up to the maximum level permitted by law. Maximum awards can be approved up to 10% of the first year's estimated savings, or \$5,000, whichever is less.

The employee's supervisor is also awarded an amount equal to ten percent of the award to the employee. Awards are funded from the agency's savings if the suggestion is specific only to that agency. Suggestions with benefits that are intangible or apply to many agencies are funded from the Employee Award Board's fund of \$10,000.

Cash awards are reduced by applicable federal and state payroll deductions. These withholdings mean the award check for the employee is substantially less than the amount awarded by the Board. Attached for you is a representative list.

State employees receiving cash awards and administrators presenting award checks are often surprised and disappointed when the face amount of the check is much less than the announced amount of the award.

The Employee Award Board seeks the attached legislation to

amount of the check is the amount of the award.

The proposed legislation will have no cost impact on the Fiscal Year 1990 budget proposed for the employee award program. The legislation will, however, increase the total amount paid for cash awards but such increases will be taken from savings produced by the adopted suggestion or otherwise justified by improvements in state service.

Thank you for your time. I would be pleased to answer any questions or respond to any comments.

EMPLOYEE SUGGESTION AWARDS PROGRAM

Examples of Gross-to-Net Awards

<u>Employee</u>	<u>Suggestion</u>	<u>Savings</u>	<u>Gross</u>	<u>Net</u>
William Allen Systems Analyst Dept. of Agricul. Topeka #880175	Use of Standard Land Description To Locate Wells	Intangible	901	500
Michael Jacobs Construction Engineer DOT Fort Scott #880055	Improvements to Communications Between Super- visors and Employees	Intangible	71	50
Joan Newman Social Worker SRS Chanute #870159	Reduce Cost of Pre-Screening SRS Clients for Medical Services	50,000	5,000	2,807
William Pearson Child Support Enforcement Officer SRS Parsons #870054	Increase of Day Care Services for AFDC Children	240,000	2,837	2,000
Delbert Tuttle Corrections Officer Correctional Vocational Training Center Topeka #870165	Combining Five Forms Into a Single Form	Intangible	143	100
Bertha Webb Carroll Newman Custodial Supervisors Wichita State U. Wichita #870182	Wrote <u>Housekeeping</u> <u>Manual</u> for Custodial Staff. <u>Manual</u> was Distributed to Other State Agencies	9,000	900 900	689 685



PROPOSED BILL NO. \_\_\_\_\_

By

AN ACT concerning the employee suggestion award program; relating to cash awards; amending K.S.A. 1988 Supp. 75-37,110 and repealing the existing section.

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

Section 1. K.S.A. 1988 Supp. 75-37,110 is hereby amended to read as follows: 75-37,110. (a) Subject to criteria approved by the board, the payment of cash awards to state employees and immediate supervisors for meritorious suggestions and accomplishments may be made: (1) From appropriations made therefor, or (2) by the state agency employing the employee or by a state agency which has expenditures reduced as a result of the suggestion or accomplishment of the employee, from money appropriated for such state agency and available for operating expenditures or salaries and wages or from money appropriated in any item of appropriation from which expenditures are so reduced.

(b) The maximum net cash award made to a state employee for a suggestion shall be limited to 10% of the first year's estimated savings, or \$5,000, whichever is less, except that cash awards approved for suggestions that have a first year's estimated savings of less than \$250 shall be \$25.

(c) On the first day of each regular session of the legislature the secretary of administration shall report to each member of the legislative coordinating council the amount and the purposes for which all awards granted during the preceding calendar year were made.

Sec. 2. K.S.A. 1988 Supp. 75-37,110 is hereby repealed.

Sec. 3. This act shall take effect and be in force from and after its publication in the statute book.