

Approved: 3/20/95  
Date

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chairperson Robin Jennison at 1:30 p. m. on March 15, 1995 in Room 514-S of the Capitol.

All members were present except: Representative Gross, excused

Committee staff present: Alan Conroy, Legislative Research Department  
Laura Howard, Legislative Research Department  
Paul West, Legislative Research Department  
Susan Wieggers, Legislative Research Department  
Jim Wilson, Revisor of Statutes  
Mike Corrigan, Revisor of Statutes  
Lenore Olson, Committee Secretary  
Tara Eubanks, Administrative Assistant

Conferees appearing before the committee:  
Senator Lana Oleen  
Gloria Timmer, Director, Division of the Budget  
Eric Sexton, Wichita State University  
Dr. Dale Dennis, State Board of Education  
Richard Comfort, Ottawa County Attorney  
Nancy Lindberg, Assistant to the Attorney General

Others attending: See attached list

Chairperson Jennison opened the hearing on **SB 94.**

**SB 94 - State general fund transfers to military retirees income tax refund fund.**

Gloria Timmer, Director, Division of the Budget, testified in support of **SB 94** and said the Governor has recommended that all transfers to this fund from the State General Fund be made in FY 1995. She also said the Governor has recommended accelerating all transfers to FY 1995 to reserve the funds for this clear obligation of the state now, when they are available (Attachment 1).

The Chair closed the hearing on **SB 94.**

Chairperson Jennison opened the hearing on **SB 107.**

**SB 107 - Appropriations for FY 96, department of education.**

Staff explained the provisions of this bill. There were no conferees.

The Chair closed the hearing on **SB 107.**

Chairperson Jennison opened the hearing on **SB 143.**

**SB 143 - Appropriations for FY 95 and FY 96, capital improvement project for Wichita State University.**

Eric Sexton, Wichita State University, testified in support of **SB 143** and said this bill would authorize issuance of revenue bonds for the cost of acquiring and remodeling of Wheatshocker Apartments that are already existing on the WSU campus.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS, Room 514-S Statehouse, at 1:30 p.m. on March 15, 1995.

The Chair closed the hearing on **SB 143**.

Chairperson Jennison opened the hearing on **SB 159**.

**SB 159 - School bus safety fund quarterly transfers from state highway fund eliminated.**

Dr. Dale Dennis, State Board of Education, testified in support of **SB 159**. He said approval of this legislation would allow the Legislature to determine the amount of the transfer each year through the appropriations process rather than have a specific amount locked in statute (Attachment 2).

The Chair closed the hearing on **SB 159**.

Chairperson Jennison opened the hearing on **SB 200**.

**SB 200 - Administration of juvenile detention facilities fund.**

Richard Comfort, Ottawa County Attorney, testified in support of **SB 200** and said this bill is an attempt to establish a methodology for making a fair and equitable distribution of the funds to all of the detention facilities in the State of Kansas (Attachment 3).

Senator Lana Oleen testified in support of **SB 200** and said there has been great difficulty and inequity with the way the funds have been distributed by Social and Rehabilitation Services.

Nancy Lindberg, Assistant to the Attorney General spoke on **SB 200** and explained the Attorney General's lawsuit against SRS regarding the release of funds from the Juvenile Detention Facilities Fund.

The Chair closed the hearing on **SB 200**.

The Chair directed the Committee to turn to consideration of **SB 169**.

**SB 169 - Medical student scholarships and loans, satisfaction of service obligation.**

Staff distributed a balloon amendment for **SB 169** regarding limiting scholarships as shown on (Attachment 4).

A motion was made by Representative Cornfield, seconded by Representative Helgerson, to amend SB 169 as shown on the balloon. The motion carried.

A motion was made by Representative Carmody, seconded by Representative Gatlin, to pass as amended SB 169. The motion carried.

The Chair directed the Committee to turn to **SB 94**.

**SB 94 - State general fund transfers to military retirees income tax refund fund.**

A motion was made by Representative Wilk, seconded by Representative Haulmark, to pass favorably SB 94. The motion carried.

The Chair directed the Committee to turn to **SB 143**.

**SB 143 - Appropriations for FY 95 and FY 96, capital improvement project for Wichita State University.**

A motion was made by Representative Farmer, seconded by Representative Dean, to pass SB 143. The motion carried.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS, Room 514-S Statehouse, at 1:30 p.m. on March 15, 1995.

The Chair directed the Committee to turn to **SB 159**.

**SB 159 - School bus safety fund quarterly transfers from state highway fund eliminated.**

A motion was made by Representative Reinhardt, seconded by Representative Hochhauser, to pass SB 159. The motion carried.

The Chair directed the Committee to turn to **HB 2559**.

**HB 2559 - Human rights commission, hearing examiners, employment or contracted services.**

A motion was made by Representative Gatlin, seconded by Representative Neufeld, to pass HB 2559. The motion carried.

The Chair directed the Committee to turn to **SB 107**.

**SB 107 - Appropriations for FY 95, department of education.**

A motion was made by Representative Neufeld, seconded by Representative Carmody, to amend SB 107 by adding a new section 4 (the definition of pupil count enrollment) to use an average of the number of pupils counted on September 20 and February 20. The motion failed.

A motion was made by Representative Lowther, seconded by Representative Helgerson, to pass SB 107. The motion carried.

Staff distributed background information on **HB 2569, the KPERS early buy-out bill** (Attachment 5) which is scheduled for hearing on March 16, 1995.

A motion was made by Representative Farmer, seconded by Representative Helgerson, to approve the minutes of March 10 and March 13, 1995. The motion carried.

The Committee turned to introduction of bills.

A motion was made by Representative Gatlin, seconded by Representative Helgerson, to introduce two bills: 1) school district capital improvement fund; the state aid computation percentage would be reduced and contractual bond obligations incurred on or after July 1, 1997; and, 2) school district finance defining enrollment as the average of the number of pupils on September 20 and the number of pupils on February 20. The motion carried.

A motion was made by Representative Haulmark, seconded by Representative Hochhauser, to introduce a bill concerning separation pay computation for certain state law enforcement employees. The motion carried.

The meeting adjourned at 3:00 p.m.

The next meeting is scheduled for March 16, 1995.

## APPROPRIATIONS COMMITTEE GUEST LIST

DATE: 3/15/95

NAME	REPRESENTING
Richard Comfort	N.C.K. Juvenile Detention
Shawn Brandmahl	NCK Juvenile Detention
Don King	NCK Juvenile Detention
Gloria Timmor	Division of Budget
Don Hermes	Division of the Budget
REN NITZER	Ks. State Bd. of Educ.
Dale M. Dennis	" " " " "
James Crawford	Intern
Wendy Bennett	SRS/YAS
Duane Waterworth	Division of the Budget
Steve Stotts	Revenue
KEVIN T. STAMPER	INTERN - SEN. J. MORAN
Ben Coars	SRS
William E. Richards	Ks. Council of Chapters, TROA
Martin Hanna	Hanna's Capital Report
Anne Spiess	Ks. Assoc. of Counties



DIVISION OF THE BUDGET  
Room 152-E  
State Capitol Building  
Topeka, Kansas 66612-1504  
(913) 296-2436  
FAX (913) 296-0231

Bill Graves  
Governor

Gloria M. Timmer  
Director

M E M O R A N D U M

TO: House Committee on Appropriations  
FROM: Gloria M. Timmer, Director of the Budget  
DATE: March 15, 1995  
SUBJECT: Testimony on SB 94

Good afternoon, I am representing the Governor on SB 94, a bill introduced at the request of the Governor Graves' regarding scheduled dates for transfers to the Military Retirees Income Tax Refund Fund. I appreciate the opportunity to visit with you today regarding this proposal.

The Governor has recommended that all transfers to this fund from the State General fund be made in FY 1995. The transfers in current law include one made already in FY 1995, one in FY 1996 and the final transfer in FY 1997. As you know, the first transfer was made from the State Budget Stabilization Fund based on a certification by the Secretary of Revenue regarding the total liability based on the settlement approved in Shawnee District Court. The total liability certified by the Secretary was \$55,373,781, for an amount of each transfer of \$18,457,927.

The Governor has recommended accelerating all transfers to FY 1995 to reserve the funds for this clear obligation of the state now, when they are available. At the close of the last Legislative Session, it appeared as though the transfers would need to be spread out over three years. However, the status of the State General Fund has improved since that time, primarily as a result of reduced demands for school finance and increased estimates of State General Fund receipts.

Attached to this testimony is a table detailing the Governor's four-year budget plan presented to the Legislature in January,

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adjusted for changes recommended by the Governor since that time. The shaded line highlights the adjustments based on the change in the transfer dates contained in this bill. As you can see, the positive adjustments in FY 1996 and FY 1997 do not equal the transfer amount from December of approximately \$18.5 million. This is because the Consensus Revenue Estimate made in November was build on the assumption of transfers of \$17.3 million and the increase to that estimate needs to reflect the amount that was subtracted from net receipts at that time.

Again, thank you for the opportunity to appear on the Governor's behalf and I would be happy to answer any questions you may have on this legislation.

**Governor's State General Fund Budget Plan**  
(Dollars in Millions)

*Includes the impact of the Governor's proposal to reduce motor vehicle taxes*

	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999
Adjusted Balance:	\$455.1	\$359.3	\$287.7	\$267.6	\$277.5
Revenue:					
Base Revenue Estimates	\$3,288.1	\$3,409.3	\$3,560.5	\$3,743.1	\$3,916.3
Repeal Original Construction Tax	(4.3)	(17.7)	(18.5)	(19.4)	(20.3)
Repeal Utilities in Production Tax	--	(12.4)	(13.0)	(13.6)	(14.3)
Military Retirement Adjustment	(36.9)	17.3	17.3	--	--
Other Adjustments	--	0.5	--	--	--
Subtotal Revenue	\$3,247.0	\$3,397.1	\$3,546.3	\$3,710.1	\$3,881.7
Total Available	\$3,702.0	\$3,756.3	\$3,834.1	\$3,977.7	\$4,159.3
Expenditures:					
Governor's Recommendations	\$3,342.8	\$3,462.5	--	--	--
Governor's Budget Amendments	--	0.2	--	--	--
Expenditures from Prior Year	--	--	3,468.6	3,566.4	3,700.1
School Finance Adjustment	--	5.9	41.2	41.8	18.2
Demand Transfer at Statute	--	--	15.4	7.6	8.1
Subtotal Expenditures	\$3,342.8	\$3,468.6	\$3,525.1	\$3,615.8	\$3,726.4
<b>Additional Allowable Expenditure</b>	--	--	<b>41.3</b>	<b>84.3</b>	<b>142.6</b>
Total Expenditures	\$3,342.8	\$3,468.6	\$3,566.4	\$3,700.1	\$3,869.0
Ending Balance	\$359.3	\$287.7	\$267.6	\$277.5	\$290.2
<b>As % of Expenditures</b>	<b>10.7%</b>	<b>8.3%</b>	<b>7.5%</b>	<b>7.5%</b>	<b>7.5%</b>
<b>Percent Growth in Expenditures</b>	<b>7.4%</b>	<b>3.8%</b>	<b>2.8%</b>	<b>3.7%</b>	<b>4.6%</b>
<b>Add. Exp. as a Percent of Subtotal</b>	--	--	<b>1.2%</b>	<b>2.3%</b>	<b>3.8%</b>
<b>Revenues minus Expenditures</b>	<b>(\$95.8)</b>	<b>(\$71.5)</b>	<b>(\$20.1)</b>	<b>\$9.9</b>	<b>\$12.7</b>

*Revenue estimates beginning in FY 1997 reflect a 4.75 percent annual base increase.*

*The adjusted balance in FY 1995 includes released encumbrances through November.*

*School finance adjustments beginning in FY 1996 assume the Governor's school finance bill and motor vehicle tax proposal.*

*Demand transfer adjustments beginning in FY 1997 are based on the Governor's revisions to sales taxes.*

# Kansas State Board of Education

120 S.E. 10th Avenue, Topeka, Kansas 66612-1182

March 15, 1995

TO: House Appropriations Committee

FROM: Dale M. Dennis, Asst. Commissioner  
Division of Fiscal Services and Quality Control

SUBJECT: 1995 Senate Bill 159

Senate Bill 499, enacted by the 1994 Legislature, transferred the administration of the state's school bus safety functions and responsibilities from the Kansas Department of Transportation (KDOT) to the State Board of Education effective July 1, 1994. To finance this activity, the law creates the School Bus Safety Fund and provides for a quarterly transfer in the amount of \$40,000, or a total of \$160,000 per year, from the State Highway Fund. This funding is needed primarily to pay salaries and travel expenses of the four employees who were transferred to our agency from KDOT to administer this program.

Recognizing that costs to administer the school bus safety program will vary from year to year, the Senate Ways and Means Committee introduced Senate Bill 159 which proposes to eliminate the quarterly transfer set by statute. This change will allow the Legislature to determine the amount of the transfer each year through the appropriation process rather than have a specific amount locked in statute.

The State Board of Education supports Senate Bill 159 and recommends favorable action by this Committee.

*3/15/95*

Dale M. Dennis  
Deputy/Assistant Commissioner  
Division of Fiscal Services and Quality Control  
(913) 296-3871  
Fax No. (913) 296-7933

*Appropriations Cmte*  
*Attachment 2*



## Comfort Law Office

March 14, 1995

Representative Robin L. Jennison  
300 SW 10th Avenue  
State of Kansas, State House  
Topeka, Kansas 66612-1504

RE: Senate Bill 200

My name: C. Richard Comfort, Ottawa County Attorney

Additional  
Conferee: Shawn Brandmahl, Director of the North Central  
Kansas Regional Juvenile Detention Facility

Dear Representative Jennison:

Please be advised that Mr. Brandmahl and I would like to attend the hearing on Senate Bill 200, which is currently scheduled for March 15, 1995. We are supporters of Senate Bill 200, and were the originators of the Bill, which was introduced by Senator Lana Oleen.

That in late 1992 and early 1993 eleven (11) counties met and formed an interlocal agreement to establish a Regional Juvenile Detention Facility. These eleven (11) counties are identified as: Cloud, Dickinson, Geary, Jewell, Lincoln, Mitchell, Morris, Ottawa, Republic, Riley and Washington.

That during our efforts to erect, license and fund the facility we have had nothing but difficulties with the Kansas Department of Social and Rehabilitative Services, hereafter S.R.S. The most important facet of operating the facility has been the establishment of a budget. The key component to establishing the budget has been our per diem rate, which is the daily charge that is assessed for each occupant of the facility. S.R.S. has been paying to use our facility at the following rates, 1993 - \$46.00, in 1994 - \$75.40, respectively. The daily operating budget that is required for the facility is \$140.00 per day. Obviously, admitting S.R.S. juveniles into our facility has been a financial hardship.

Therefore, the monies that were appropriated by K.S.A. §79-4803 et seq, became and important source of funding for our facility.

C. Richard Comfort  
Attorney At Law

206 North Concord  
Minneapolis, Kansas 67467  
Telephone: (913) 392-2105

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Letter to Representative Jennison

RE: Senate Bill 200

We repeatedly contacted the Secretary of S.R.S., Donna Whiteman, to attempt to establish rapport and determine how these monies were going to be apportioned among the juvenile detention facilities in Kansas. Much to our chagrin, there was never a meeting scheduled to discuss any format that would have apportioned these monies in a fair and equitable manner. The Secretary was given complete discretion by the legislature to pick and choose how to distribute the funds. We felt that this was inappropriate and discussed our concerns with the Secretary. I should say we attempted to discuss our concerns with the Secretary, because she never returned her phone calls or responded in any meaningful way to establish a dialogue about a subject that was very important to the operation of our facility.

The most blatant things that caused our agencies to request Senate Bill 200 was the unilateral determination by the Secretary of S.R.S. that she had the authority to apply some of the funds to her own administrative costs and the granting of a \$150,000.00 largess to Saline County, Kansas to improve their former gas station, which had been converted into a five (5) bed juvenile detention facility.

Saline County, Kansas, was originally in our catchment area for the establishment of a Regional Juvenile Detention Facility. Their participation was nonexistent prior to the final meeting of the State Committee established to determine the regions and facilities that were going to be located and placed throughout the State of Kansas. Saline County later opted to keep their own facility, which is solely a Saline County facility. The rest of us joined together as requested by the State, and entered into a regional concept for the housing of these juveniles.

Obviously, the Secretary's action in awarding a \$150,000.00 construction grant to Saline County, Kansas, was felt by our agency to be unnecessary and a reward to one (1) county that opted to go on their own. Certainly, Saline County, Kansas, may operate their own juvenile detention facility, but I do not think it falls on the entire State of Kansas to fund the same.

Senate Bill number 200 is an attempt to establish a methodology for making a fair and equitable distribution of the funds to all of the detention facilities in the State of Kansas. It also, makes the Attorney General responsible for the administration of the funds. We believe that this is extremely important given the fact that the Attorney General's office seems to be much more sensitive to the legal and equitable implications of the fund. The Attorney General's staff is competent and professional in our experience. They return their phone calls promptly and are not so busy that they are unable to schedule meetings for a period of two (2) years to discuss a problem that exists between a governmental subdivision of the State of Kansas and an agency of the State of Kansas.

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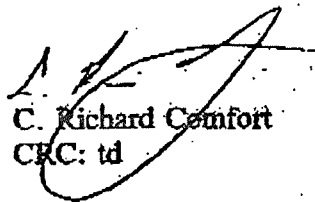
Letter to Representative Jemison

RE: Senate Bill 200

Finally, the Bill provides for the administrative costs of the Attorney General to be determined and funds set aside on a yearly basis for that purpose.

It is our request that you approve Senate Bill 200 and refer it out of committee to the House floor, so that the merits of the Bill can be established. Given the distrust that exists between S.R.S. and the Regional Juvenile Detention Facility's, I can only conclude that it is in the best interest of all citizens of the State of Kansas that the assignment of this task be given to an agency, which has the trust and respect of all interested parties.

Cordially yours,



C. Richard Comfort  
CRC: td

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DRAFT OF AMENDMENTS TO SB 169

For Consideration By Committee on Appropriations  
( 3-15-95 )

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1 cellor, upon a finding of exceptional circumstances may modify areas or  
2 portions of areas determined to be critically medically underserved or  
3 medically underserved by specialty.

4 (b) (1) A service commitment area shall be designated as a service  
5 commitment area I or a service commitment area II. Service commitment  
6 area I shall be any area determined by the chancellor of the university of  
7 Kansas, or the designee of the chancellor, under subsection (a) to be, for  
8 purposes of all agreements entered into under K.S.A. 76-374 and amend-  
9 ments thereto, a medically underserved area or a critically medically un-  
10 derserved area. Service commitment area II shall be, for purposes of all  
11 agreements entered into under K.S.A. 76-374 and amendments thereto,  
12 the state of Kansas

13 (2) The service commitment area I or II for persons first awarded  
14 scholarships after December 31, 1985, shall be an incorporated city of  
15 this state as specified in subsection (d)(2) of K.S.A. 76-374 and amend-  
16 ments thereto, all state medical care facilities or institutions, all medical  
17 centers operated in the state of Kansas by the veterans administration of  
18 the United States, and ~~all full-time faculty positions at the university of~~  
19 ~~Kansas school of medicine in family medicine or family practice **or gen**~~

20 ~~eral internal medicine or general pediatrics~~

21 (c) In selecting a service commitment area I or II, whichever is ap-  
22 plicable, prior to the commencement of the full-time practice of medicine  
23 and surgery pursuant to all agreements entered into under K.S.A. 76-374  
24 and amendments thereto requiring service for a period of time in a service  
25 commitment area I or II, whichever is applicable, the person so selecting  
26 shall select such area from among those areas appearing on the list of  
27 areas prepared by the chancellor of the university of Kansas, or the de-  
28 signee of the chancellor, under this section. The service commitment area  
29 selected shall have appeared on any such list not more than 36 months  
30 prior to the commencement of such full-time practice of medicine and  
31 surgery by the person selecting such service commitment area. Upon the  
32 selection of such service commitment area, the person so selecting shall  
33 inform the university of Kansas school of medicine of the area selected.

34 (d) A person serving in a service commitment area I or II, whichever  
35 is applicable, pursuant to any agreement under this act may serve all or  
36 part of any commitment in the service commitment area initially selected  
37 by such person. If such person moves from one service commitment area  
38 I or II to another service commitment area I or II, as applicable, such  
39 person shall notify the university of Kansas school of medicine of such  
40 person's change of service commitment area. Service in any such service  
41 commitment area I or II, as applicable, selected from the appropriate lists  
42 of service commitment areas, shall be deemed to be continuous for the  
43 purpose of satisfying any agreement entered into under this act. Any

the

general internal medicine, general pediatrics,

, except that, at the time any person commences satisfying a service  
commitment under this subsection as a full-time faculty member, the  
number of persons satisfying service commitments or service  
obligations, pursuant to agreements under K.S.A. 76-374 and  
amendments thereto or the medical student loan act, as full-time  
faculty members pursuant to this subsection shall not exceed the  
number equal to 25% of the total number of full-time faculty  
members of the university of Kansas school of medicine in general  
internal medicine, general pediatrics, family medicine or family  
practice

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1 chancellor's designee, or (2) at a state medical care facility or institution,  
2 shall be on the basis of at least the equivalent of 1/2 time in order to satisfy  
3 the obligation to engage in the practice of medicine and surgery under  
4 an agreement entered into pursuant to K.S.A. 76-374 and amendments  
5 thereto.

6 (k) As used in this section, "state medical care facility or institution"  
7 includes, but is not limited to, the Kansas state school for the visually  
8 handicapped, the Kansas state school for the deaf, any institution under  
9 the secretary of social and rehabilitation services, as defined by subsection  
10 (b) of K.S.A. 76-12a01 and amendments thereto or by subsection (b) of  
11 K.S.A. 76-12a18 and amendments thereto, the Kansas soldiers' home and  
12 any correctional institution under the secretary of corrections, as defined  
13 by subsection (d) of K.S.A. 75-5202 and amendments thereto, but shall  
14 not include any state educational institution under the state board of  
15 regents, as defined by subsection (a) of K.S.A. 76-711 and amendments  
16 thereto, except as specifically provided by statute.

17 Sec. 2. K.S.A. 1994 Supp. 76-384 is hereby amended to read as fol-  
18 lows: 76-384. (a) Upon the selection of a service commitment area for  
19 the purposes of satisfying a service obligation under a medical student  
20 loan agreement entered into under this act, the person so selecting shall  
21 inform the university of Kansas school of medicine of the service com-  
22 mitment area selected.

23 (b) A person serving in a service commitment area pursuant to any  
24 agreement under this act may serve all or part of any commitment in the  
25 service commitment area initially selected by such person. If such person  
26 moves from one service commitment area to another service commitment  
27 area, such person shall notify the university of Kansas school of medicine  
28 of such person's change of service commitment area. Service in any such  
29 service commitment area shall be deemed to be continuous for the pur-  
30 pose of satisfying any agreement entered into under this act.

31 (c) A person receiving a medical student loan under this act, may  
32 satisfy the obligation to engage in the full-time practice of medicine and  
33 surgery in a service commitment area if the person serves as a full-time  
34 faculty member of the university of Kansas school of medicine in family  
35 medicine or family practice ~~or general internal medicine or general~~  
36 ~~pediatrics~~ and serves two years for each one year of such obligation, or  
37 the equivalent thereof on a two-for-one basis.

38 (d) A person may satisfy the obligation to engage in the full-time  
39 practice of medicine and surgery in a service commitment area by de-  
40 ~~veloping performing~~ performing at least 100 hours per month ~~to of~~ on-site primary care  
41 as defined in K.S.A. ~~75-374~~ 76-374 and amendments thereto at a medical  
42 facility operated by a local health department or nonprofit organization  
43 in this state serving medically indigent persons. As used in this subsection,

**general internal medicine, general pediatrics,**  
**, except that, at the time any person commences satisfying such**  
**service obligation as a full-time faculty member pursuant to this**  
**subsection, the number of persons satisfying service commitments or**  
**service obligations, pursuant to agreements under K.S.A. 76-374 and**  
**amendments thereto or the medical student loan act, as full-time**  
**faculty members pursuant to this subsection shall not exceed the**  
**number equal to 25% of the total number of full-time faculty**  
**members of the university of Kansas school of medicine in general**  
**internal medicine, general pediatrics, family medicine or family**  
**practice**

March 15, 1995

**1995 HOUSE BILL NO. 2569**

**Brief of Bill**

H.B. 2569 relates to the Kansas Public Employees Retirement System (KPERS). Specifically, the bill relates to establishing an early retirement "window" for all state employees who are members of KPERS or the Kansas Police and Fire Retirement System (KP&F). Members of the Judge's Retirement System are excluded.

The bill provides for eligible state employees to retire and receive normal retirement benefits through the early retirement "window" they must be age 62 with 10 years of service (current law); any age with 30 years of service (new) or; when the members combined age and service equal 65 points or more (current law is 85 points). Members meeting these requirements at any time during calendar year 1996 would be eligible to retire between October 1, 1995 and March 31, 1996.

Eligible members who retire would also receive five additional years of service credit and have their benefit increased by 15 percent until they attained age 62. The bill mandates participation by the State and provides that no positions vacated by members retiring under these provisions may be refilled. However, the bill does give the Governor and the Legislative branch (for legislative branch agencies) authority to transfer vacant positions to other state agencies as needed. In addition, the bill requires that after March 31, 1996, the KPERS actuary must determine the states liability and the State is to pay off this liability in level annual payments over a period not to exceed five years.

There are 8,518 KPERS members that would be eligible to retire under the provisions of H.B. 2569. If all of these employees retired, the preliminary additional liability according to KPERS would be approximately \$369.1 million (\$174.6 million from the State General Fund) or an average of \$43,334 per member. The level payment required to pay off this liability over five years would be \$85.6 million (\$40.5 million from the State General Fund) annually or an average of \$10,049 per member. Information on the numbers eligible and costs for KP&F - State members is still being developed by KPERS.

*3/15/95*

*Appropriations Cmte*

*Attachment 5*