

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.

The meeting was called to order by Chairperson August Bogina at 11:00 a.m. on March 17, 1995 in Room 123-S of the Capitol.

All members were present except:

Committee staff present: Alan Conroy, Legislative Research Department  
Eric Milstead, Legislative Research Department  
Paul West, Legislative Research Department  
Norman Furse, Revisor of Statutes  
Judy Bromich, Administrative Assistant  
Ronda Miller, Committee Secretary

Conferees appearing before the committee:

Janet Schalansky, Acting Secretary of Department of Social and Rehabilitation Services  
Jeff Wagaman, Deputy Secretary of Administration  
Alan Cobb, Delta Dental Plan

Others attending: See attached list

Senator Brady moved, Senator Salisbury seconded, that the minutes of the March 14 and 15 meetings be approved as read. The motion carried on a voice vote.

**SB 361**                      **Contracts between secretary of social and rehabilitation services and secretary of human services under KanWork program**

Ms. Janet Schalansky, Acting Secretary of the Department of Social and Rehabilitation Services, appeared before the Committee to review the provisions of **SB 361**. Secretary Schalansky provided members with information regarding the purpose and scope of the contract between the departments of SRS and Human Resources for employment related services (Attachment 1). She told members that **SB 361** does not mean that SRS will not contract with DHR, but it authorizes the Department to contract with alternate providers.

Secretary Schalansky stated that SRS has had a good working relationship with Human Resources, but part of the reason behind the bill may be the need to provide services to the fourteen other counties. She stated that service has not been provided because of funding, but the concern of both SRS and DHR is how to provide services in those counties.

The Chairman noted that the draft was recommended by the SRS subcommittee to provide an opportunity for the Department to seek options for performance rather than service based contracts. Secretary Schalansky indicated that the Department and Human Resources have worked together on outcome measures, but there is not enough money in some counties for them to have staff and provide services in other counties. Senator Salisbury acknowledged the concern about services for the 14 counties, but noted that the subcommittee was also concerned about the number of contracts in the KanWork program and how they are monitored.

The Chairman submitted a suggested amendment to the bill (Attachment 2) in an effort to develop performance based measures. Senator Salisbury moved, Senator Morris seconded, that SB 361 be amended by inclusion of the balloon (Attachment 2). The motion carried on a voice vote.

Senator Kerr moved, Senator Salisbury seconded, that SB 361 be conceptually amended by inclusion of the words "The Department of Social and Rehabilitation Services shall develop performance standards by which the KanWork program's effectiveness can be measured." Members agreed that the development of standards might be an evolving process and should not be put in statute. The motion carried on a voice vote. The Chairman requested that the revisor provide a copy of the adopted amendment before taking Committee action on the bill.

**SB 362**                      **State employee benefits programs; duties of secretary of administration**

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, Room 123-S Statehouse, at 11:00 a.m. on March 17, 1995.

Jeff Wagaman, Deputy Secretary of Administration, appeared before the Committee in support of **SB 362** and reviewed his written testimony (Attachment 3). He explained that **SB 362** provides that the Secretary of Administration would appoint the administrator of the State's Health Care Benefits Program and would allow the Secretary to designate whether that position would be classified or unclassified. Mr. Wagaman told members that the Health Care Benefits Administrator resigned and the Secretary appointed an acting administrator who supervises the Health Benefits section of the Department of Personnel Services. The Health Care Commission recently met and appointed the acting administrator as the permanent administrator. The Secretary desires to combine those two positions in one, reduce FTE positions by one, save approximately \$100,000 and be more efficient. Members discussed the current structure of the two staffs and how efficiency might be improved. Mr. Wagaman distributed written testimony in support of **SB 362** from Rick Robards, Director of Human Resources and Appointing Authority of the University of Kansas Medical Center (Attachment 4).

Mr. Alan Cobb, Delta Dental Plan, appeared before the Committee and testified in support of **SB 362** as one of the potential vendors.

Senator Salisbury moved, Senator Moran seconded, that **SB 362** be recommended favorable for passage. The motion carried on a roll call vote.

**SB 372**                      **State workers compensation self-insurance fund; director**

Mr. Jeff Wagaman, Deputy Secretary of Administration, reviewed his written testimony in support of **SB 372** (Attachment 5). He told the Committee that the person previously occupying this position has recently resigned. In answer to Senator Salisbury, Mr. Wagaman concurred that in terms of the administration of the Workers' Compensation Act, the position is more administrative than policy making. She added that she believes it to be in the best interest of the system to remove politics whenever possible from the administration of the Act. It was the consensus of the Committee that giving the Secretary the ability to make the position classified or unclassified could lead to abusive changes in the last days of any administration. Mr. Wagaman stated that the position of the Department of Administration would be that the position should be filled without regard to politics and pledged to do so. He added that the Department is currently advertising for a classified position. Members discussed the problems that would be encountered if the position were unclassified. The Chair asked for the members' wishes regarding **SB 372**. No motions were offered.

**SB 176**                      **State officers and employees; unclassified service; Kansas, Inc.; K-TEC, Kansas corporation for change**

The Revisor appeared before the Committee to answer questions regarding **SB 176**. He noted that **SB 176** places employees of the Corporation for Change, KS, Inc., and Kansas Technology Enterprise Corporation in the unclassified service to coordinate with the implementation of the new statewide personnel and payroll system. He advised that the Committee had amended the bill to include the Information Network of Kansas and put those persons in the unclassified service as well. He indicated that the Department of Administration had subsequently suggested that the INK statute (Sec. 7) be amended because all INK employees are contract employees rather than employees similar to those of the three quasi-state agencies. Bobbi Mariani, Division of Personnel Services of the Department of Administration, explained to members that the Department based its recommendation on the fact that INK has no employees; the function of INK is handled through Kansas, Inc. who contracts with a private entity.

Senator Vancrum moved, Senator Kerr seconded, that **SB 176** be amended by inclusion of the balloon (Attachment 6) without striking the language in Sec. 7 (c) (Attachment 6-8). The motion carried on a voice vote.

The Chairman reviewed an amendment proposed by the Department of Social and Rehabilitation services to move the intermittent positions in the SRS long-term care program to the unclassified service. It was moved by Senator Brady and seconded by Senator Karr that **SB 176** be amended by inclusion of the balloon (Attachment 7). The motion carried on a voice vote.

It was moved by Senator Rock and seconded by Senator Karr that **SB 176** as amended be recommended favorable for passage. The motion carried on a roll call vote.

The Chairman adjourned the meeting at 12:05 P.M. The next meeting is scheduled for March 20, 1995.

# SENATE WAYS AND MEANS COMMITTEE GUEST LIST

DATE: MARCH 17, 1995

NAME	REPRESENTING
STEVE KEARNEY	CIGNA
ALAN COBB	DELTA DENTAL
Linda Kaminia Clout	KDHR
Nancy Hooper	Dof A
Jenny Magnuson	Dof A
B. Manani	Dept of Adm.
Rosalee Rock	NA
Kay Beardsley	NA
Mike A. Decker	NA
Ken Selw	K. Hospital Assn.

**Kansas Department of Social and Rehabilitation Services**  
**Janet Schalansky, Acting Secretary**

**Senate Committee on Ways and Means**  
**Testimony on SB No. 361 Pertaining to the KanWork Contract with the Dept on Human Resources**

March 17, 1995

Mr. Chairman and members of the committee, thank you for the opportunity to testify on Senate Bill No. 361.

**Senate Bill No. 361 Provision**

Presently, the KanWork Act requires the department to contract with the Department of Human Resources to provide employment services. K.S.A. 39-7,104 (b) states:

"The secretary of social and rehabilitation services and the secretary of human resources shall enter into an agreement which provides that all recipients of aid to families with dependent children who are required to register under the KanWork program and who are determined by the secretary of social and rehabilitation services to be job-ready shall initially be referred to the secretary of human resources for the following services: Determination and provision of employment occupational assessment, goal setting and training services and such other services as the secretary may deem appropriate within the provisions of this act".

Senate Bill No. 361 amends this section by removing the requirement for the Department of Social and Rehabilitation Services to contract with the Department of Human Resources for employment-related services. The amendment authorizes the Department of Social and Rehabilitation Services to contract with alternate providers.

**Purpose and Scope of Contract**

The contract between the departments of Social and Rehabilitation Services and Human Resources has been in existence for five years. Due to funding limitations, the contract with the Department of Human Resources provides for employment services in nine of 23 full-service KanWork counties; the contracted employment services cover 65.4 percent of clients served in the 23 KanWork counties.

The foremost purpose of the contract is to provide employment services to KanWork participants who are job-ready. The contract covers the following four primary services:

- ***Vocational Counseling and Assessment Services.*** Individual counseling on vocational topics such as career choices, work experience, skills, training, goal setting, and education.
- ***On-the-job Training (OJT).*** Subsidized employment for the purpose of training; KanWork participants are hired under contract by either a public or private employer for a six-week to six-month period.
- ***Job Development, Placement, and Individual Job Search.*** The recruitment of OJT sites and the identification of suitable job openings for unsubsidized employment placements.
- ***Employment Follow-Up Services.*** Job retention monitoring.

### Cost of Contract

The cost of the FY 1995 contract is \$1,551,850, of which \$620,740 is state general funds (40.0%) and \$931,110 is federal JOBS assistance funds (60.0%). The following table provides budget detail on the existing contract.

Item	FTE	Amount
State Administrative Costs *	3.4	\$194,880
Field Salaries	29.5	884,362
Non-Personnel Costs		198,322
On-the-Job Training		109,200
Client Transportation & Misc		4,213
Statewide Indirect Costs		160,873
Total	32.9	\$1,551,850

\* Note: The 3.4 full-time equivalent positions include the following:

<u>Title</u>	<u>FTE</u>
Job Training Director	.1
Interagency Program Director	.8
Program Consultants	1.7
Office Assistant	.5
Office Specialist	<u>.3</u>
Total	3.4

### Comments

I would like to thank the committee for your efforts to improve the performance of the KanWork program. Thank you for your interest in this important SRS program.

# SENATE BILL No. 361

By Committee on Ways and Means

3-6

SWAIN  
March 17, 1995  
Attachment 2

9 AN ACT concerning the KanWork program; amending K.S.A. 1994 Supp.  
10 39-7,104 and repealing the existing section.

11  
12 *Be it enacted by the Legislature of the State of Kansas:*

13 Section 1. K.S.A. 1994 Supp. 39-7,104 is hereby amended to read as  
14 follows: 39-7,104. (a) The secretary of social and rehabilitation services  
15 shall provide for the evaluation of public assistance recipients to deter-  
16 mine whether such persons are required to participate in the KanWork  
17 program and whether such persons are employable. All public assistance  
18 recipients not required to participate in the KanWork program who are  
19 employable shall be encouraged to participate in such program. The sec-  
20 retary also shall provide for the evaluation of KanWork participants to  
21 assess the appropriate level of services needed by such participants under  
22 the KanWork program; shall provide initial employability screening, goal  
23 setting, identification of support service needs and development of ~~time~~  
24 ~~lines~~ for completion of activities; and shall establish and enter into with  
25 such participants written contracts of participant self-sufficiency.

26 (b) The secretary of social and rehabilitation services ~~and the secre-~~  
27 ~~tary of human resources shall may enter into an agreement which pro-~~  
28 ~~vides that all recipients of aid to families with dependent children who~~  
29 ~~are required to register under the KanWork program and who are de-~~  
30 ~~termined by the secretary of social and rehabilitation services to be job-~~  
31 ~~ready shall initially be referred to the secretary of human resources for~~  
32 ~~the following services:~~ Determination and provision of employment oc- )  
33 cupational assessment, goal setting ~~and training services, and such other~~  
34 services as the secretary may deem appropriate within the provisions of  
35 this act.

36 (c) A KanWork participant who is determined to be employable shall  
37 not be eligible to participate in the KanWork program for more than 30  
38 months, inclusive of any educational program under the KanWork pro-  
39 gram. Except as otherwise provided in this subsection, a KanWork par-  
40 ticipant under the KanWork program shall not be eligible to receive any  
41 cash assistance for three years subsequent to the time participation in the  
42 KanWork program ceases. The secretary of social and rehabilitation serv-  
43 ices may adopt by rules and regulations exceptions to such limitations on

initial timeline goals

agreements with public, private and community-based providers for services including but not limited to the following:

, job development and placement

Testimony to the  
SENATE WAYS AND MEANS COMMITTEE

By  
Deputy Secretary of Administration Jeff Wagaman

RE: Senate Bill 362

Mr. Chairperson and members of the committee, thank you for the opportunity to appear before you today in support of Senate Bill 362. The bill would put the position of the technical administrator for the state health benefits program under the supervision of the Secretary of Administration. It also allows the Secretary to designate the position to be in the classified or unclassified service under the Kansas Civil Service Act. Currently the position is an unclassified position and the technical administrator works under the supervision of the Kansas State Employees Health Care Commission.

Some background information is helpful to understanding the reasons for requesting SB 362. The Kansas State Employees Health Care Commission was created at a point in time when employer sponsored group health insurance plans were experiencing significant cost increases. Its purpose is to negotiate and enter into contracts with qualified insurers, health maintenance organizations and other contracting parties for the purpose of establishing the state health care benefits program. The Commission is composed of five members; the Secretary of Administration, the Insurance Commissioner, an active employee in the civil service, a retired person from the civil service and a representative of the general public. The last three are appointed by the Governor. The Secretary of Administration is the Chairperson of the Health Care Commission.

Also several years ago a Benefits Section was established in the Division of Personnel Services in the Department of Administration. This section is responsible for the development and administration of the state of Kansas cafeteria benefits plan, administration of the group health insurance plan, development and administration of the flexible spending accounts under the cafeteria benefits plan, HealthQuest - the statewide health promotion program, the shared leave plan, the deferred compensation plan and COBRA, the federally mandated continuation plan for group health insurance. The section is also responsible for communication to employees regarding these benefit plans. The section was established in recognition of the need to manage the rapidly growing cost of the indirect portion of an employee's total compensation package. We no longer have the luxury of thinking of benefits as a "fringe." The cost of benefits represents 35% of the total cost of the average state employee.

By statute, the Secretary of Administration is responsible for the budgeting, purchasing and related management functions of the Health Care Commission. The Secretary of Administration also is responsible for the development and administration of the state's cafeteria benefits plan. Because of the payment provisions required by the Internal Revenue Service for the cafeteria benefits plan, the health care plan and the cafeteria benefits plan are already inextricably linked and administrative procedures reflect that reality.

*SWAM*  
*March 17, 1995*  
*Attachment 3*

The proposed amendment is recognition of the fact that benefit development and administration is highly complex and expensive. This amendment will allow the Secretary of Administration to better manage both the administration of group health insurance and the cafeteria plan of which the group health insurance is a part. The health insurance contract negotiations, membership determinations, employee communications and problem identification can form a loop to help improve the procurement and implementation of the health care plan.

Allowing the Secretary to specify whether the Health Benefits Administrator is a classified or an unclassified employee, gives the Secretary the latitude to recruit and retain an individual who must possess a body of knowledge and experience to manage this complex benefit plan. It gives the Secretary of Administration choices which are not currently available. Inherent with this proposal is increased efficiency and more effective management of a plan that costs \$160,000,000 per year.

The Department of Administration would appreciate your support for passage of this bill. I would be happy to answer any questions you may have.



Testimony to the  
SENATE WAYS AND MEANS COMMITTEE

By  
Rick Robards  
Director of Human Resources and Appointing Authority  
University of Kansas Medical Center

RE: Senate Bill 362

Mr. Chairperson and members of the committee, thank you for the opportunity of providing testimony in support of Senate Bill 362. We are pleased to present our agency's view of the proposal encapsulated by the bill which would put the position of the technical administrator for the state health benefits program under the supervision of the Secretary of Administration.

The University of Kansas Medical Center has approximately 4,500 employees enrolled in the group health insurance plan and/or KanElect cafeteria plan. The costs of these programs are significant and total benefits costs represent an annual investment of approximately \$160,000,000 statewide. The position of technical administrator was created several years ago to assist the Kansas State Health Care Commission in negotiating and entering into contracts with qualified insurers, health maintenance organizations and other contracting providers for the purpose of establishing the state health care benefits program. A collateral objective being presumably to provide the highest level of benefit/cost ratio to the state while offering a "package" of benefits to state employees comparable to our peers.

It is our view that establishing common reporting lines for the technical administrator and the Benefits Section of the Division of Personnel Services will avoid the considerable confusion, lack of continuity and conflicting information which existed when the functions were separate. Our customers expect us to provide timely and accurate information about the KanElect program and COBRA, a federally mandated program to permit group health insurance continuation. We believe our ability to meet our customers expectations will be enhanced by implementing the proposal offered by Senate Bill No. 362. We support consolidation of the administrative activities supporting the statewide health benefits program and urge the committee to favorably report on the proposal.

If you need any additional information from me about our agency's experience, please feel free to contact me at (913) 588-5080.

SWAM  
March 17, 1995  
Attachment 4

**Testimony To The**  
**SENATE WAYS AND MEANS COMMITTEE**

**By**  
**Jeff Wagaman**  
**Department of Administration**

**Friday, March 17, 1995**  
**RE: Senate Bill 372**

Mr. Chairperson and members of the committee, thank you for the opportunity to appear before you today in support of Senate Bill 372. My name is Jeff Wagaman, and I am the Deputy Secretary of the Department of Administration.

Senate Bill 372 would amend K.S.A. 44-575 to allow the Secretary of Administration to appoint a director for the workers' compensation state self-insurance fund to either the classified or unclassified service under the Kansas Civil Service Act. Currently the director of the state self-insurance fund is appointed to the classified service. This amendment would grant the secretary an option to appoint the director to the unclassified service.

The unclassified service generally allows more flexibility in the appointment and dismissal processes because it is not subject to the same rights and entitlements as the classified service. This position is a policy-making position. If the director does not have the same policy intentions as the administration, there may be some difficulties. Generally, policy-making positions in state government are in the unclassified service, so that they may serve more at the discretion of the current administration.

The director is responsible for the 15 million dollar self-insurance fund. Litigation against the fund is on the rise, whereby the director must often testify on behalf of the administration and contract with attorneys to litigate self-insurance fund cases. Again, it may be more appropriate in these situations for the director to be in the unclassified service, and thus, more responsible to the current administration. In addition, the director is responsible for a staff of over 30 professional and support staff.

This bill merely allows the secretary an option, and does not mandate placing the director position in either the classified or unclassified service. The Department of Administration would appreciate your support for passage of this bill.

Thank you for allowing me this time. I would be happy to answer any questions you may have.

SENATE BILL No. 176

By Committee on Ways and Means

2-1

9 AN ACT concerning the Kansas corporation for change, Kansas technol-  
10 ogy enterprise corporation and Kansas, Inc.; relating to the officers  
11 and employees of such agencies; relating to state civil service; amend-  
12 ing K.S.A. 38-1804, 38-1807, 74-8012, 74-8113 and 75-2935b and  
13 K.S.A. 1994 Supp. 74-8005, 74-8105 and 75-2935 and repealing the  
14 existing sections.

74-9307

15  
16 *Be it enacted by the Legislature of the State of Kansas:*

17 Section 1. K.S.A. 38-1804 is hereby amended to read as follows: 38-  
18 1804. (a) The board of directors of the corporation for change shall em-  
19 ploy a person to serve as executive director of the corporation. *The ex-*  
20 *ecutive director shall be in the unclassified service under the Kansas civil*  
21 *service act.*

22 (b) The executive director of the corporation for change shall direct  
23 and supervise the general management of the corporation and a small  
24 core staff. The executive director:

25 (1) May employ and terminate such other employees as designated  
26 by the members of the board of directors. *Such employees shall be in the*  
27 *unclassified service under the Kansas civil service act;*

28 (2) shall attend meetings of the board of directors; and

29 (3) shall keep a record of all proceedings and maintain and be cus-  
30 todian of all financial and operational records, documents and papers filed  
31 with the corporation.

32 Sec. 2. K.S.A. 38-1807 is hereby amended to read as follows: 38-  
33 1807. (a) All employees of the corporation for change shall be considered

34 to be state employees and the corporation for change shall be considered  
35 to be a state agency for purposes of the laws and procedures governing  
36 the payroll accounting system for state agencies under K.S.A. 75-5501 *et*

37 *seq.* and amendments thereto; participation in the Kansas public employ-  
38 ees deferred compensation plan developed and approved for state em-  
39 ployees under K.S.A. 75-5521 through 75-5520; and amendments thereto;

40 the Kansas public employees retirement system; the employment security  
41 law; the workers compensation act; including the state workmen's com-  
42 pensation self-insurance fund as provided in K.S.A. 44-575 through 44-  
43 580; and amendments thereto; the state health care benefits program and

SWPM  
March 17, 1995  
Attachment 6

1 remittances pursuant to the federal social security act; federal insurance  
2 compensation act; and the federal internal revenue code. Employees of  
3 the corporation for change shall be considered to be state employees and  
4 the corporation for change shall be considered to be a state agency only  
5 for the purposes specified in this subsection.

6 (b) The provisions of article 32 of chapter 75 of the Kansas Statutes  
7 Annotated, any acts amendatory thereof or supplemental thereto, and any  
8 rules and regulations adopted thereunder, shall not apply to officers or  
9 employees of the corporation for change. Subject to policies established  
10 by the corporation for change, the chairperson of the board of directors  
11 or the chairperson's designee shall approve all travel and travel expenses  
12 of such officers and employees.

13 (e) (b) Nothing in this act or the act of which it is amendatory shall  
14 be construed as placing any officer or employee of the corporation for  
15 change in the classified service or unclassified service under the Kansas  
16 civil service act.

17 Sec. 3. K.S.A. 1994 Supp. 74-8005 is hereby amended to read as  
18 follows: 74-8005. (a) Kansas, Inc. shall hire a person to serve as its chief  
19 executive officer and president of *Kansas, Inc.* Kansas, Inc. shall conduct  
20 a national search and select a corporation president who meets a national  
21 standard of experience, ability and initiative for similar positions. *The*  
22 *president shall be in the unclassified service under the Kansas civil service*  
23 *act and shall serve at the pleasure of Kansas, Inc.* Kansas, Inc. may ne-  
24 gotiate and enter into an employment agreement with the individual se-  
25 lected as corporation president which may provide for such compensation  
26 and such provisions for allowances, benefits and expenses as may be in-  
27 cluded in such agreement. Kansas, Inc. is authorized to make all payments  
28 and payroll deductions as may be required under such agreement.

29 (b) The president shall direct and supervise the general management  
30 of the corporation and a small core staff of analysts. The president:

31 (1) May employ and terminate such other employees as designated  
32 by the members of Kansas, Inc. *Such employees shall be in the unclas-*  
33 *sified service under the Kansas civil service act;*

34 (2) shall attend board meetings;

35 (3) shall keep a record of all proceedings and maintain and be cus-  
36 todian of all financial and operational records, documents and papers filed  
37 with Kansas, Inc.; and

38 (4) as a first priority, shall prepare a business plan which shall be  
39 approved by the members of Kansas, Inc. and be submitted for review  
40 and comment to the standing committee on commerce of the senate, the  
41 committee on economic development of the house of representatives or  
42 the joint committee on economic development.

43 (c) Kansas, Inc. is hereby authorized to negotiate and enter into con-

1 tracts for professional consulting and research services in collaboration  
2 with the department of commerce *and housing*.

3 (d) Kansas, Inc. is authorized to accept gifts, donations and grants.

4 (e) Kansas, Inc. is not subject to state purchasing laws.

5 Sec. 4. K.S.A. 74-8012 is hereby amended to read as follows: 74-  
6 8012. (a) The president and all other employees of Kansas, Inc. shall be  
7 considered to be state employees and Kansas, Inc. shall be considered to  
8 be a state agency for purposes of the laws and procedures governing the  
9 payroll accounting system for state agencies under K.S.A. 75-5501 *et seq.*,  
10 the deferred compensation plan developed and approved for state em-  
11 ployees under K.S.A. 75-5521 through 75-5520 and amendments thereto;  
12 the Kansas public employees retirement system; the employment security  
13 law; the workmen's compensation act, including the state workmen's com-  
14 pensation self-insurance fund as provided in K.S.A. 44-575 through 44-  
15 580 and amendments thereto; the state health care benefits program and  
16 remittances pursuant to the federal social security act; federal insurance  
17 compensation act and the federal internal revenue code. The president  
18 and all other employees of Kansas, Inc. shall be considered to be state  
19 employees and Kansas, Inc. shall be considered to be a state agency only  
20 for the purposes specified in this subsection.

21 (b) Except as provided in subsection (b) of K.S.A. 74-8003 and  
22 amendments thereto, for members of Kansas, Inc., the provisions of ar-  
23 ticle 32 of chapter 75 of the Kansas Statutes Annotated, any acts amen-  
24 datory thereof or supplemental thereto, and any rules and regulations  
25 adopted thereunder, shall not apply to officers or employees of Kansas,  
26 Inc. Subject to policies established by Kansas, Inc., the president of Kan-  
27 sas, Inc. or the president's designee shall be authorized to approve all  
28 travel and travel expenses of such officers and employees.

29 (c) (b) Nothing in this act or the act of which it is amendatory shall  
30 be construed as placing any officer or employee of Kansas, Inc. in the  
31 classified service ~~or unclassified service~~ under the Kansas civil service act.

32 Sec. 5. K.S.A. 1994 Supp. 74-8105 is hereby amended to read as  
33 follows: 74-8105. (a) The president shall be the chief executive officer of  
34 the corporation and shall serve at the pleasure of the board. The presi-  
35 dent's salary shall be set by the board of directors. *The president shall be*  
36 *in the unclassified service under the Kansas civil service act.* The board  
37 of directors may negotiate and enter into an employment agreement with  
38 the individual selected as president of the corporation which may provide  
39 for such compensation and such provisions for allowances, benefits and  
40 expenses as may be included in such agreement. The board of directors  
41 is authorized to make all payments and payroll deductions as may be  
42 required under such agreement. The president shall direct and supervise  
43 administrative affairs and the general management of the corporation.

1 (b) The president:

2 (1) May employ and terminate such other officers and employees as  
3 designated by the board of directors. *Such officers and employees shall*  
4 *be in the unclassified service under the Kansas civil service act;*

5 (2) shall attend board meetings;

6 (3) shall appoint a secretary to keep a record of all proceedings and  
7 maintain and be custodian of all financial and operational records, doc-  
8 uments and papers filed with the corporation and of the minute book of  
9 the corporation; and

10 (4) before accepting any applications as provided for under this act,  
11 shall prepare a business plan which shall include the corporate analysis  
12 of funding levels of programs in other states that are shown in the report  
13 required in subsection (b) of K.S.A. 74-8111 and amendments thereto  
14 and the threshold funding levels specified in subsection (c) of K.S.A. 74-  
15 8111 and amendments thereto. Upon approval of the business plan by  
16 the corporation board, the plan shall be presented to the standing com-  
17 mittee on commerce of the senate and the standing committee on eco-  
18 nomic development of the house of representatives or the joint legislative  
19 committee on economic development for review and evaluation.

20 Sec. 6. K.S.A. 74-8113 is hereby amended to read as follows: 74-  
21 8113. (a) ~~The president and all other employees of the Kansas technology~~  
22 ~~enterprise corporation shall be considered to be state employees and the~~  
23 ~~Kansas technology enterprise corporation shall be considered to be a state~~  
24 ~~agency for purposes of the laws and procedures governing the payroll~~  
25 ~~accounting system for state agencies under K.S.A. 75-5501 et seq., the~~  
26 ~~deferred compensation plan developed and approved for state employees~~  
27 ~~under K.S.A. 75-5521 through 75-5520 and amendments thereto; the~~  
28 ~~Kansas public employees retirement system; the employment security~~  
29 ~~law; the workmen's compensation act; including the state workmen's com-~~  
30 ~~penetration self-insurance fund as provided in K.S.A. 44-575 through 44-~~  
31 ~~580 and amendments thereto; the state health care benefits program and~~  
32 ~~remittances pursuant to the federal social security act; federal insurance~~  
33 ~~compensation act and the federal internal revenue code. The president~~  
34 ~~and all other employees of the Kansas technology enterprise corporation~~  
35 ~~shall be considered to be state employees and the corporation shall be~~  
36 ~~considered to be a state agency only for the purposes specified in this~~  
37 ~~subsection.~~

38 (b) Except as provided in subsection (h) of K.S.A. 74-8101 and  
39 amendments thereto, for members of the board of directors of the Kansas  
40 technology enterprise corporation, the provisions of article 32 of chapter  
41 75 of the Kansas Statutes Annotated, any acts amendatory thereof or  
42 supplemental thereto, and any rules and regulations adopted thereunder,

h-9

1 corporation. Subject to policies established by the board of directors, the  
2 president of the corporation or the president's designee shall be author-  
3 ized to approve all travel and travel expenses of such officers and em-  
4 ployees.

5 (e) (b) Nothing in this act or the act of which it is amendatory shall  
6 be construed as placing any officer or employee of the Kansas technology  
7 enterprise corporation in the classified service or the unclassified service  
8 under the Kansas civil service act.

[ See attached Insert, Sec. 7

9 Sec. ~~(7)~~ K.S.A. 1994 Supp. 75-2935 is hereby amended to read as  
10 follows: 75-2935. The civil service of the state of Kansas is hereby divided  
11 into the unclassified and the classified services.

[ 8.

12 (1) The unclassified service comprises positions held by state officers  
13 or employees who are:

- 14 (a) Chosen by election or appointment to fill an elective office;
- 15 (b) members of boards and commissions, heads of departments re-  
16 quired by law to be appointed by the governor or by other elective offi-  
17 cers, and the executive or administrative heads of offices, departments,  
18 divisions and institutions specifically established by law;
- 19 (c) except as otherwise provided under this section, one personal sec-  
20 retary to each elective officer of this state, and in addition thereto, 10  
21 deputies, clerks or employees designated by such elective officer;
- 22 (d) all employees in the office of the governor;
- 23 (e) officers and employees of the senate and house of representatives  
24 of the legislature and of the legislative coordinating council and all officers  
25 and employees of the office of revisor of statutes, of the legislative re-  
26 search department, of the division of legislative administrative services,  
27 of the division of post audit and the legislative counsel;
- 28 (f) chancellor, president, deans, administrative officers, student  
29 health service physicians, pharmacists, teaching and research personnel,  
30 health care employees and student employees in the institutions under  
31 the state board of regents, the executive officer of the board of regents  
32 and the executive officer's employees other than clerical employees, and,  
33 at the discretion of the state board of regents, directors or administrative  
34 officers of departments and divisions of the institution and county exten-  
35 sion agents, except that this subsection (1)(f) shall not be construed to  
36 include the custodial, clerical or maintenance employees, or any employ-  
37 ees performing duties in connection with the business operations of any  
38 such institution, except administrative officers and directors; as used in  
39 this subsection (1)(f), "health care employees" means employees of the  
40 university of Kansas medical center who provide health care services at  
41 the university of Kansas medical center and who are medical technicians  
42 or technologists or respiratory therapists, who are licensed professional  
43 nurses or licensed practical nurses, or who are in job classes which are

5-9

- 1 designated for this purpose by the chancellor of the university of Kansas  
2 upon a finding by the chancellor that such designation is required for the  
3 university of Kansas medical center to recruit or retain personnel for  
4 positions in the designated job classes; and employees of any institution  
5 under the state board of regents who are medical technologists;
- 6 (g) operations, maintenance and security personnel employed to im-  
7 plement agreements entered into by the adjutant general and the federal  
8 national guard bureau, and officers and enlisted persons in the national  
9 guard and the naval militia;
- 10 (h) persons engaged in public work for the state but employed by  
11 contractors when the performance of such contract is authorized by the  
12 legislature or other competent authority;
- 13 (i) persons temporarily employed or designated by the legislature or  
14 by a legislative committee or commission or other competent authority  
15 to make or conduct a special inquiry, investigation, examination or in-  
16 stallation;
- 17 (j) officers and employees in the office of the attorney general and  
18 special counsel to state departments appointed by the attorney general,  
19 except that officers and employees of the division of the Kansas bureau  
20 of investigation shall be in the classified or unclassified service as provided  
21 in K.S.A. 75-711 and amendments thereto;
- 22 (k) all employees of courts;
- 23 (l) client, patient and inmate help in any state facility or institution;
- 24 (m) all attorneys for boards, commissions and departments;
- 25 (n) the secretary and assistant secretary of the Kansas state historical  
26 society;
- 27 (o) physician specialists, dentists, dental hygienists, pharmacists and  
28 medical technologists employed by the commissioner of mental health  
29 and retardation services and assigned by the commissioner to a position  
30 in mental health and retardation services or any institution under the  
31 supervision of the state department of social and rehabilitation services;
- 32 (p) physician specialists, dentists and medical technologists employed  
33 by any board, commission or department or by any institution under the  
34 jurisdiction thereof;
- 35 (q) student employees enrolled in public institutions of higher learn-  
36 ing;
- 37 (r) administrative officers, directors and teaching personnel of the  
38 state board of education and the state department of education and of  
39 any institution under the supervision and control of the state board of  
40 education, except that this subsection (1)(r) shall not be construed to  
41 include the custodial, clerical or maintenance employees, or any employ-  
42 ees performing duties in connection with the business operations of any
- 6-9



- 1 (s) all officers and employees in the office of the secretary of state;  
 2 (t) one personal secretary and one special assistant to the following:  
 3 The secretary of administration, the secretary of aging, the secretary of  
 4 commerce, the secretary of corrections, the secretary of health and en-  
 5 vironment, the superintendent of the Kansas highway patrol, the secretary  
 6 of human resources, the secretary of revenue, the secretary of social and  
 7 rehabilitation services, the secretary of transportation and the secretary  
 8 of wildlife and parks;  
 9 (u) one personal secretary and one special assistant to the chancellor  
 10 and presidents of institutions under the state board of regents;  
 11 (v) one personal secretary and one special assistant to the executive  
 12 vice chancellor of the university of Kansas medical center;  
 13 (w) one public information officer and one chief attorney for the fol-  
 14 lowing: The department of administration, the department on aging, the  
 15 department of commerce, the department of corrections, the department  
 16 of health and environment, the department of human resources, the de-  
 17 partment of revenue, the department of social and rehabilitation services,  
 18 the department of transportation and the Kansas department of wildlife  
 19 and parks;  
 20 (x) civil service examination monitors;  
 21 (y) one executive director, one general counsel and one director of  
 22 public affairs and consumer protection in the office of the state corpo-  
 23 ration commission;  
 24 (z) specifically designated by law as being in the unclassified service;  
 25 and  
 26 (aa) all officers and employees of Kansas, Inc., Kansas technology  
 27 enterprise corporation and Kansas corporation for change.
- 28 (2) The classified service comprises all positions now existing or here-  
 29 after created which are not included in the unclassified service. Appoint-  
 30 ments in the classified service shall be made according to merit and fitness  
 31 from eligible lists prepared upon the basis of examination pools which so  
 32 far as practicable shall be competitive. No person shall be appointed,  
 33 promoted, reduced or discharged as an officer, clerk, employee or laborer  
 34 in the classified service in any manner or by any means other than those  
 35 prescribed in the Kansas civil service act and the rules adopted in accor-  
 36 dance therewith.
- 37 (3) For positions involving unskilled, or semiskilled labor duties, the  
 38 secretary of administration, as provided by law, shall establish rules and  
 39 regulations concerning certifications, appointments, layoffs and reem-  
 40 ployment which may be different from the rules and regulations estab-  
 41 lished concerning these processes for other positions in the classified serv-  
 42 ice.

Sec. 7

74-9307. Same; financing of operations; employees considered state employees for certain purposes; agency considered state agency for certain purposes; approval of travel expenses of officers and employees. INK shall fund its operations from revenues generated from subscribers, and from money, goods or in-kind services donated from private sources. Initial funding for start-up costs shall be obtained from private donations. (a)

~~[(a) The employees of INK shall be considered to be state employees, and INK shall be considered to be a state agency for purposes of the laws and procedures governing the payroll accounting system for state agencies under K.S.A. 75-5501 et seq., and amendments thereto, the deferred compensation plan developed and approved for state employees under K.S.A. 75-5521 through 75-5520, and amendments thereto, the Kansas public employees retirement system, the employment security law, the workers compensation act, including the state workers' compensation self insurance fund as provided in K.S.A. 44-575 through 44-580, and amendments thereto, the state health care benefits program and remittances pursuant to the federal social security act, federal insurance compensation act and the federal internal revenue code. All employees of INK shall be considered to be state employees and INK shall be considered to be a state agency only for the purposes specified in this subsection.]~~

(b) The provisions of article 32 of chapter 75 of the Kansas Statutes Annotated, any acts amendatory thereof or supplemental thereto, and any rules and regulations adopted thereunder, shall not apply to officers or employees of INK. Subject to policies established by the board of INK, the chairperson of INK or the chairperson's designee shall be authorized to approve all travel and travel expenses of such officers and employees.

~~[(c) Nothing in this act shall be construed as placing any officer or employee of INK in the classified service or unclassified service under the Kansas civil service act.]~~

History: L. 1990, ch. 266, § 7; April 12.

*No change here.*

1 the unclassified service, and appointing officers of departments or insti-  
 2 tutions whose employees are exempt from the provisions of the Kansas  
 3 civil service act because of the constitutional status of such departments  
 4 or institutions shall be permitted to make appointments from appropriate  
 5 registers *pools* of eligibles maintained by the division of personnel serv-  
 6 ices.

9.

7 Sec. ~~83~~ K.S.A. 75-2935b is hereby amended to read as follows: 75-  
 8 2935b. Salaries and other compensation of all persons who are within the  
 9 unclassified service of the Kansas civil service act, and which salaries and  
 10 other compensation are not fixed by statute, shall be subject to the ap-  
 11 proval of the governor and such salaries or other compensation shall not  
 12 be paid until approved by the governor. The provisions of this section  
 13 shall not apply to the salaries and other compensation of any officer or  
 14 employee when such salary or other compensation is specifically pre-  
 15 scribed by law, nor to officers and employees of elected state officials,  
 16 officers and employees under the jurisdiction of the state board of re-  
 17 gents, the executive secretary of the Kansas public employees retirement  
 18 system, *officers and employees of Kansas, Inc., the Kansas technology*  
 19 *enterprise corporation and the Kansas corporation for change*, officers  
 20 and employees under the jurisdiction of the supreme court, legislative  
 21 officers and employees or officers and employees of any agency perform-  
 22 ing functions and duties primarily for the legislative branch.

10.

23 Sec. ~~87~~ K.S.A. 38-1804, 38-1807, 74-8012, 74-8113, ~~75-2935b~~ and  
 24 K.S.A. 1994 Supp. 74-8005, 74-8105 and 75-2935 are hereby repealed.

74-9307,

11.

25 Sec. ~~103~~ This act shall take effect and be in force from and after  
 26 December 17, 1995, and its publication in the statute book.

6-9

MAR 10 1995



BILL GRAVES, GOVERNOR OF THE STATE OF KANSAS

KANSAS DEPARTMENT OF SOCIAL  
AND REHABILITATION SERVICES

JANET SCHALANSKY, ACTING SECRETARY

March 9, 1995

Senator Gus Bogina  
Chairman  
Senate Ways & Means Committee  
Statehouse, Room 120-S  
Topeka, Kansas 66612

SB 176

Dear Senator Bogina:

The Department of Social and Rehabilitation Services is in favor of the amendment to SB 176 that moves the intermittent positions in the SRS long-term care program to the unclassified service. Re-labelling these positions as temporary will not have any effect on the salaries and wages allocated to SRS.

We understand that this change is necessary to provide for better position management under the new Statewide Human Resource and Payroll System (SHARP). Employees in the long-term care positions would retain current benefits such as sick and vacation leave accrual and salary increases. We realize that the employees will lose the civil service protection afforded the classified service but we feel that this is the best solution.

Sincerely,

A handwritten signature in cursive script that reads "Janet Schalansky".

Janet Schalansky  
Secretary

cc: William B. McGlasson, Acting Director, Division of Personnel Services

SWAM  
March 17, 1995  
Attachment 7

1 designated for this purpose by the chancellor of the university of Kansas  
 2 upon a finding by the chancellor that such designation is required for the  
 3 university of Kansas medical center to recruit or retain personnel for  
 4 positions in the designated job classes; and employees of any institution  
 5 under the state board of regents who are medical technologists;

6 (g) operations, maintenance and security personnel employed to im-  
 7 plement agreements entered into by the adjutant general and the federal  
 8 national guard bureau, and officers and enlisted persons in the national  
 9 guard and the naval militia;

10 (h) persons engaged in public work for the state but employed by  
 11 contractors when the performance of such contract is authorized by the  
 12 legislature or other competent authority;

13 (i) persons temporarily employed or designated by the legislature or  
 14 by a legislative committee or commission or other competent authority  
 15 to make or conduct a special inquiry, investigation, examination or in-  
 16 stallation;

17 (j) officers and employees in the office of the attorney general and  
 18 special counsel to state departments appointed by the attorney general,  
 19 except that officers and employees of the division of the Kansas bureau  
 20 of investigation shall be in the classified or unclassified service as provided  
 21 in K.S.A. 75-711 and amendments thereto;

22 (k) all employees of courts;

23 (l) client, patient and inmate help in any state facility or institution;

24 (m) all attorneys for boards, commissions and departments;

25 (n) the secretary and assistant secretary of the Kansas state historical  
 26 society;

27 (o) physician specialists, dentists, dental hygienists, pharmacists ~~and~~ <sup>[(, ]</sup>  
 28 medical technologists employed by the commissioner of mental health <sup>[and long term care workers]</sup>  
 29 and retardation services and assigned by the commissioner to a position  
 30 in mental health and retardation services or any institution under the  
 31 supervision of the state department of social and rehabilitation services;

32 (p) physician specialists, dentists and medical technologists employed  
 33 by any board, commission or department or by any institution under the  
 34 jurisdiction thereof;

35 (q) student employees enrolled in public institutions of higher learn-  
 36 ing;

37 (r) administrative officers, directors and teaching personnel of the  
 38 state board of education and the state department of education and of  
 39 any institution under the supervision and control of the state board of  
 40 education, except that this subsection (1)(r) shall not be construed to  
 41 include the custodial, clerical or maintenance employees, or any employ-  
 42 ees performing duties in connection with the business operations of any  
 43 such institution, except administrative officers and directors;