

Approved: 4-5-96
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 22, 1996 in Room 514-S of the Capitol.

All members were present except: Representative Jennison, excused
Representative Gross, excused
Representative Dean, excused
Representative Goossen, excused
Representative Edlund, excused

Committee staff present: Alan Conroy, Russell Mills, Susan Wieggers, Legislative Research Department
Jim Wilson, Revisor of Statutes; Mike Corrigan, Revisor
Tim Kukula, Appropriations Secretary; Todd Fertig, Administrative Aide

Conferees appearing before the committee: Ramon Powers
Senator Bill Wisdom
Linda Fund, Dept. of Administration
Bill McGlasson, Dept. of Administration
Scott Stone
Dick Koerth
Tracy Galvin

Others attending: See attached list

In the absence of Chairman Jennison, Vice Chairman Carmody presided over the committee.

Chairman Carmody opened the meeting at 1:10 by giving the subcommittee report on Topeka hospital closure issues, **HB 2904**, **HB 2906**, **HB 2907**, **HB 2944**. Chairman Carmody stated his intentions of amending subcommittee report into **SB 388** (Attachment 1).

A motion was made by Representative Helgerson, seconded by Representative Neufeld to adopt the subcommittee report. The motion carried.

A motion was made by Representative Helgerson, seconded by Representative Neufeld, to substitute appropriate parts of the subcommittee report into **SB 388**. The motion carried.

A motion was made by Representative Helgerson, seconded by Representative Wilk, to recommend substitute **SB 388** and substitute **HB 2904** favorably for passage. The motion carried.

Chairman Carmody clarified that the insurance continuation for 1 year is not included at this point.

Chairman Carmody opened the floor to discussion and/or amendments on **HB 3081**, a bill concerning sports agent regulations.

A motion was made by Representative Reinhardt, seconded by Representative Minor, to amend **HB 3081** to create a separate fund from the agent registration fees to be used for the administering of the agents and fees. The motion carried.

A motion was made by Representative Reinhardt, seconded by Representative Hochhauser, to recommend **HB 3081** favorably for passage. The motion carried.

Chairman Carmody opened hearings on **HB 3080**, a bill concerning overtime compensation for certain state law enforcement officers. Testimony was presented by: 1) Senator Bill Wisdom, 2) Scott Stone (Attachment 2), 3) Linda Fund (Attachment 3), 4) Bill McGlasson (Attachment 4), 5) Dick Koerth (Attachment 5), 6)

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS, Room 514-S Statehouse, at 1:30 P.M. on March 22, 1996.

Tracy Galvin, and 7) Mark Gauntt provided written testimony (Attachment 6).

Chairman Carmody excused himself from the meeting and Representative Farmer presided over the meeting.

No action was taken on **HB 3080**.

Chairman Farmer closed hearings on **HB 3080** and opened hearings on **SB 370**, a bill relating to the Kansas Historical Society, registration of buildings. Chairman Farmer recognized Ramon Powers to testify and answer questions on behalf of **SB 370**.

Chairman Farmer closed the hearings on **SB 370**.

A motion was made by Representative Lowther, seconded by Representative Cornfield, to amend **SB 370** to reflect the technical changes proposed by the Revisor. The motion carried.

A motion was made by Representative Bradley, seconded by Representative Hochhauser, to recommend **SB 370** favorably for passage, as amended. The motion carried. Representative Edmonds voted no.

The meeting adjourned at 4:00 p.m.

The next meeting is on call of the Chair.



HOUSE APPROPRIATIONS COMMITTEE

GUEST LIST

DATE: 3-22-96

HOUSE OF
REPRESENTATIVES

NAME	ADDRESS	REPRESENTING
SUE PETERSON	Manhattan	Kansas State University
Collobson	1025	W Eagle
Joan Hancock		KPERS
Bill McBlissard	Dept of Admin, LSOB	DoA/DPS
Linda Ramirez	Topoka	KDHR
Karen Watson	Topoka	DoA/DPS
Linda Furd	Topoka Depts	DoA
Amelia McInyre	LSOB, Topoka	KDWSP
Dick Kperth	LSOB; Topoka	KDWSP
Ramon Powers	Kansas History Center, Topoka	Kansas State Historical Society
Don Ryon	Emmett	SEAK
Kelly Jenning	Topoka	KAPE
Scott Stone	u	KAPE
Jim Young	Topoka	KBI Agents
Bruce Bertwell	Olathe	Conservation Officer - KDWP representing myself
Mad Gault	Silver Lake	Conservation Officers Bargaining Unit - KAPE
TRACY GALVIN	Coldwater	Conservation Officer



HOUSE APPROPRIATIONS COMMITTEE

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GUEST LIST

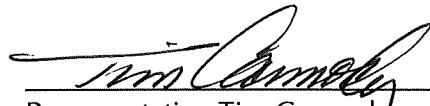
DATE: 3/22/96

HOUSE OF REPRESENTATIVES

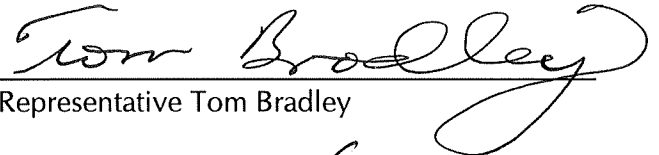
NAME	ADDRESS	REPRESENTING
Sen. Bill Wisdom	KC	SELF
Glenn Cannizzaro	Tonganoxie	Conservation officer
John Purvis	Meriden	Myself as a conservation officer
Jack Dunbar	Kingman	MYSELF AS A - CONSERVATION OFFICER
Edwin G. Brown	Wellington, Ks	Kansas Conservation Self Officer
Stuart Little	Topeka	City of Topeka
Jim Kauf	Topeka	City of Topeka
Sen. Marge Petty	Topeka	Legis.
JOHN FEDERICO	"	PETE McGill + Assoc
Mike Huffles	Topeka	SRS
Chris Wilson	Wamego	KS GOV'tal Consulting

Subcommittee Report

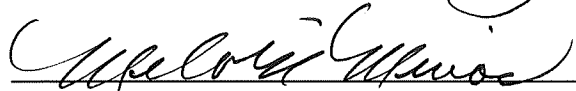
House Appropriations Subcommittee on State Institution Employees and Closure



Representative Tim Carmody
Subcommittee Chairperson



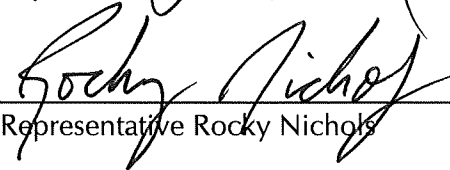
Representative Tom Bradley



Representative Melvin Minor



Representative Melvin J. Neufeld



Representative Rocky Nichols

House Appropriations Subcommittee on State Institution Employees and Closure Subcommittee Report

This report is intended to be an overview of the issues that were discussed by the Subcommittee. This report also includes items that were discussed but not accepted by the Subcommittee or do not need to be included because they already exist in current law or come under the authority of the executive branch for implementation. The Subcommittee notes that, in each case in which a fiscal note is stated, the Subcommittee has assumed the most costly scenario: *i.e.*, that all staff at both Topeka State Hospital and Winfield State Hospital will stay until the layoff date and that all staff will choose to take advantage of the available options.

A. KPERS ISSUES RECOMMENDED

1. Waive the requirement that a purchase of prior military service has to be completed within five years prior to retirement. The fiscal note is \$0 and two people are affected. The employee must pay the full actuarial cost and the Subcommittee recommends that this policy be changed in substantive law so that the five-year buffer is eliminated on the military buy-back for any state employee.
2. The Subcommittee recommends the introduction of legislation that would allow the withdrawal of the employee contributions, plus interest (allowed under current law) as well as withdrawal of the employer contribution, plus interest. This right would be subject to the following terms and conditions:
 - a. Initially, the payout must be a trustee-to-trustee transfer. This would allow transfer into an IRA or other qualified retirement plan.
 - b. The option would be available only to a class specified as those who are employed by the state on the date immediately preceding their "layoff date" as that term is defined in statute and regulation.
 - c. The option would apply only to employees of the two state institutions affected by closure. The rationale for this is that this is one of the major incentives offered to remain on duty and provide patient care until the layoff date.
 - d. This option would be at the discretion of the employee and the employee may choose to remain in KPERS. However, if the employee chooses to exercise this withdrawal option, they must do so within 90 days after the layoff date.
 - e. Inclusion of a savings clause to state that if it is later determined by the IRS that this procedure would disqualify either the KPERS plan or the recipient, the state would reimburse KPERS, on an actuarially based method, for any liability.
 - f. KPERS would provide a full disclosure to each employee of the consequences of exercising this option including, but not limited to, the relative cost of the present value of staying in the system versus the present value of withdrawing from the system and the possible tax consequences.
 - g. Provide independent financial counseling to employees considering this option. This is an authorized use of money obtained through the anticipated Department of Human Resources (DHR) grant.
3. The Subcommittee rejected the following concepts:
 - a. Allowing institutional employees or any other laid off employee to retire with 75 points (combination of years of service and age) instead of the currently required 85 points. The Subcommittee was uncomfortable with the precedent that might be set and the limited number

- of employees that would benefit from such an option. In addition, the state could have to contribute an additional \$3.5 million to the KPERS fund.
- b. Allowing immediate vesting in KPERS. The fiscal note on this would be \$0, but again it would only affect a limited number of employees.
 - c. Allowing 501(c) charitable organizations to affiliate with KPERS. The Subcommittee was extremely uncomfortable with the uncertainty of the effect allowing affiliation might have on the tax exempt status of the fund.
 - d. The Subcommittee concluded that the first two of the items it rejected did not focus on the primary objective of these benefits, which is keeping employees on the job until their layoff date, and do not focus on those employees who are necessary to maintain patient care.
4. The following items are in current law and the Subcommittee concludes that no change is necessary, but provides the following for informational purposes:
 - a. If laid off employees are later re-employed by the state, they can buy back their prior KPERS service on an actuarially determined basis.
 - b. The current outside earnings limit of \$11,280 for anyone drawing KPERS retirements would not apply to those who exercise their withdrawal option.
 5. The Subcommittee requested that KPERS return with information about the cost of extending the term life insurance option to employees beyond the current 30-day limit after termination. Since the Subcommittee is unsure of the cost of this option, it was not included in this Subcommittee report.

B. PERSONNEL POLICIES AND PROCEDURES

1. Legislatively change personnel policies to grant a rehiring preference for those employees who serve until their layoff date. They would then go into the re-employment pool and would be granted a right of first refusal for any position in the same or a higher pay grade for which they are otherwise qualified. They would only be allowed to exercise their right of first refusal once and the option has to be exercised within 30 months following termination.
2. The state would continue to pay the employer portion of health insurance coverage for 12 months after the layoff date. A continuation would not be dependent upon re-employment. The Subcommittee was informed after it completed its hearings that the employee would then be eligible for 18 months of health coverage under COBRA concurrent with the 12-month period. Therefore, the Subcommittee recommends offering an 18-month "COBRA-like" extension after the 12-month "match" period. The 18-month extension would be employee paid. The conditions of this option are that it applies only to employees at Winfield and Topeka State Hospitals and only if they serve until their layoff date. The fiscal note is approximately \$3.1 million annually if all full and part time employees of both institutions would take advantage of it. This would be a cost in FY 1997, FY 1998, and FY 1999, although it would be somewhat unevenly spread across those three years. The Subcommittee notes that receipt of this benefit would not disqualify recipients for unemployment insurance. The employees would also be covered under worker's compensation if they were in a retraining program being operated through the DHR Grant.
3. The Subcommittee recommends that the state pay 50 percent of accumulated sick leave to those hospital employees who remain on the job until the layoff date. The Subcommittee recommends payment of 50 percent of accumulated sick leave. The total cost, all funds, would be approximately \$3.4 million (see Attachment A).

As a side note, the payment of accumulated sick leave would be counted for salary purposes towards KPERS retirement but would not be included in the calculation of length of service.

4. The Subcommittee recommends the adoption of House Bill 2784. This bill waives the restriction on persons leaving state employment to go to work for an entity with which the state contracted and when that employee participated in the making of the contract. The bill applies to both classified and unclassified personnel and the Subcommittee was informed that some state contracts prohibit the hiring by the contractor of the state employee negotiating the contract. These contracts would not be affected by this bill. The Subcommittee does recommend that that proposal be modified to apply only to those employees who are laid off and not to employees who are demoted, transferred, or voluntarily terminated.
5. The Subcommittee considered, but does not recommend, any change in regulations regarding "bumping rights." Any change would negatively impact employee morale throughout the ranks of all state employees and would create a personnel system that would border on chaotic.
6. The Subcommittee considered, but did not adopt, any proposal for payment of severance pay. The cost of a full 52 weeks of severance pay is approximately \$42 million and 26 weeks would be half that amount, or \$21 million. Moreover, if the severance pay were paid out in by-weekly payments, the employee would be disqualified for unemployment insurance. The Subcommittee feels that the unemployment insurance fund would be a more appropriate source of funding rather than the state general fund if an employee were unable to find employment. The Subcommittee would note, however, that the fiscal impact noted above would include the full cost for salaries and wages and all benefits, including health care insurance, for all employees of both hospitals. The fiscal note prepared by the Division of the Budget for this item states that the Department of Social and Rehabilitation Services estimates that slightly more than 70 percent of the current employees would participate in the special compensation. Further, this Subcommittee has made a separate recommendation to fund the employer cost of health insurance coverage for 12 months after the layoff date. Taking these two factors into consideration, a revised fiscal note of approximately \$27.2 million for 52 weeks and \$13.6 for 26 weeks would result.
7. **Layoff procedures.** The notice of layoff, which is currently required to be given 30 days before the layoff, should be lengthened to 180 days and the Department of Administration should be allowed to give a "global" layoff notice to all the employees in a given unit or institution. The purpose for this would be that the expanded layoff window would open up more options under the dislocated worker grant and would allow employees to begin retraining earlier than 30 days prior to termination.
8. The Subcommittee recommends no change in the policy on vacation leave payout upon separation.

NOTE: The Subcommittee feels that the proposals in this Section B should be in the form of legislation rather than allowing the Department of Administration to amend these procedures administratively. The reason for this is that any administrative change by the Department of Administration would probably be subject to the "meet and confer" requirements of state law.

C. TRANSITION AND RETRAINING

1. The key component of this is the Dislocated Worker Grant which is being applied for by the Department of Human Resources. The grant is anticipated to be a little over \$2 million and the funds will be able to be used for the functions outlined in Attachment B. DHR intends to establish career centers at Topeka State Hospital and Winfield State Hospital as soon as the grant money is received. The grant money can also be used to assist in moving expenses.
2. The Subcommittee was presented with information from the Department of Commerce and Housing on the availability of start up programs for small businesses, both in the area of counseling and initial financing.

3. The Subcommittee considered, but did not adopt, proposals to provide tuition waivers or tuition reimbursement for laid off employees.
4. The Subcommittee recommends and supports the provisions in SB 459, which changes the SKILL Program to the IMPACT Program. In addition, the Subcommittee supports H.B. 2905, which presently is in a Senate Committee.

D. MISCELLANEOUS

The Subcommittee was presented with information that the Department of Corrections is studying alternative uses for Topeka State Hospital and Winfield State Hospital. The study is a preliminary one only and the approximate cost of that conversion of facilities is available, but the Subcommittee did not feel that it was within the scope of their review.

Estimated Cost of Alternative Sick Leave Payout Proposals

1-6

Attachment A

Item	Topeka State Hospital	Winfield State Hospital	Total
Estimated Number of Employees	474	693	1,167
Estimated Cost of Proposed Sick Leave Payout @ 30 Days			
<i>State General Fund @ 40%</i>	603,462	755,637	1,359,099
<i>Other Funds @ 60%</i>	905,193	1,133,455	2,038,648
Total All Funds	1,508,655	1,889,092	3,397,747
Estimated Cost of Proposed Sick Leave Payout @ 60 Days			
<i>State General Fund @ 40%</i>	884,138	1,060,143	1,944,281
<i>Other Funds @ 60%</i>	1,326,207	1,590,214	2,916,421
Total All Funds	2,210,345	2,650,357	4,860,702
Estimated Cost of Proposed Sick Leave Payout @ 50 % Leave Balance			
<i>State General Fund @ 40%</i>	651,446	721,023	1,372,468
<i>Other Funds @ 60%</i>	977,168	1,081,534	2,058,703
Total All Funds	1,628,614	1,802,557	3,431,171
Estimated Cost of Current Annual Leave Payout @ Maximum Accruals for All Employees			
<i>State General Fund @ 40%</i>	545,095	721,583	1,266,678
<i>Other Funds @ 60%</i>	817,643	1,082,374	1,900,017
Total All Funds	1,362,738	1,803,957	3,166,695

Notes:

Currently all employees leaving state service are eligible to receive their accrued balance of annual leave.

Normally, sick leave payments upon retirement would come from the State Leave Reserve Fund which is made up of a FY 1997 assessment of .45% of agencies' total payroll.

The bill would need to provide for this to come from SRS if that is desired.

These estimates assume employees who are eligible to retire receive payment based on these provisions, which may not provide the biggest payment.

Legislation would need to specify which statutes applied.

SUMMARY SHEET OF GRANT FUNCTIONS

Counseling and/or Training

- employment preparation
 - resume writing
 - interviewing skills
 - skills identification
- continuing education opportunities
- strategies for seeking employment
- unemployment information
- benefits summary information

Career Assistance

- job search database
- testing
- counseling
- resume writing
- labor market information

Training

- on-the-job training
- special training
- training support services

Referral to LIFELINE Employee Assistance Program)

- financial counseling
- emotional counseling
- personal and family counseling
- referrals to local resources for additional help on above

Workshops

- job search
- career assistance
- networking

Referral to Community Resources

- legal aid
- financial services
- education services

**FEDERAL GRANT
FOR
TOPEKA AND WINFIELD STATE HOSPITAL EMPLOYEES**

1. Request special grant dollars be set aside to serve this specific population.

This would allow us to:

- Set up career centers on site
- Staff these centers
- Provide hardware, software and other types of materials to enhance a job search
- Provide job development and access Automated Labor Exchange system which lists jobs nationally, regionally and locally
- Make appropriate referrals to local resources
- Develop specific training, retraining components
- Encourage networking and active involvement in the career transition process
- Counseling - vocational, emotional and financial
- Providing for a location to continue services off site, after closure of the facility has occurred

2. Rapid Response meetings should be conducted early in the process so that employees are aware of the services available.

- These are formal meetings, conducted on site, which take about one and one half hours. At these meetings information is provided about training, job search assistance, unemployment benefits and other support services available in the local community. Encouragement and career transition options are provided to laid off employees during these sessions.

3. Services available are:

- Training, tuition, books and support services
- On the job training
- Relocation assistance (Paying for moving to another city)
- Job Search assistance (Paying for job interviews out of the area)
- Career assistance centers
- Job search workshops

These workshops modules are designed to provide the most current information available to assist individuals with career exploration, job search planning, resume development and interviewing techniques. They are designed to be presented in three to four hours. Each module provides intensive training in job search methods, access to local resources and guidance in finding the right job for the individual participant. Participants may elect to attend some or all of the modules. Handbooks, resource information and resume' completion are included.

- Automated Labor Exchange

Computerized Job Bank Listing of employer openings at both the national, regional and local level. Information is in a user friendly format and can be accessed on a walk in basis.

- Access to America on Line through the Internet connection.
- Testing - computerized testing of clerical skills
- Vocational counseling
- Resume' preparation software
- Job referral and placement
- Labor market Information
- Executive accounts (employer applications)
- CAREER CENTERS set up on campus:

State of the art, computerized job seeking information.

Career exploration

Resume' preparation

Interviewing

Application completion

Job lead materials

Library of job seeking information

Fax machines

Lazer printers

Copy machines

Video players

- Unemployment Insurance Benefits:

While completing a active job search

While enrolled in an approved training program

- Referral to other community resources such as:

Legal aid

Small Business Development Center

Mental health services

Medical services

Financial counseling services

Adult Basic Education

Community colleges

Technical schools

National Grant Timeline for Topeka and Winfield State Hospitals

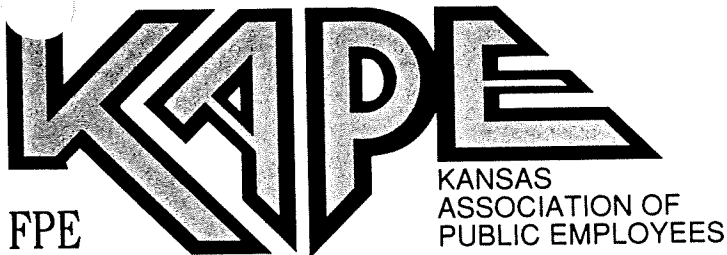
<u>Tasks</u>	<u>Date</u>
Complete grant application & mailed out for review	March 22, 1996
Review & comment on grant application	April 5, 1996
<ul style="list-style-type: none">• Private Industry Councils(PIC) Winfield and Topeka• Winfield AFSCME#2777• Oklahoma SDA PIC• SRS• Dept. of Labor Region Seven• Kansas Dept. of Human Resources	
Update grant with comments from reviews	April 12, 1996
Submit grant application:	April 15, 1996
Federal DOL response to grant application:	May 15, 1996
Grant implementation/ estimated start date:	June 1, 1996
Grant completion/ estimated end date:	June 1, 1999

KPERS

Liabilities for Certain Hospitals as of January 1, 1998

	<u>Participants Who Are Better off with:</u>		
	<u>Two Times Employee Contributions</u>	<u>Regular Plan Benefits</u>	<u>Total</u>
Number of Participants	885	235	1,120
Liability under Proposed Legislation	\$ 14,803,935	\$ 18,548,415	\$ 33,352,350
Employee Contributions with Interest	7,401,968	6,145,624	13,547,592
Liability under Current Plan	11,646,822	18,548,415	30,195,237
Net Cost to System	(3,157,113)	0	(3,157,113)

The above liability determinations were calculated based on the participants from the two designated hospitals. It is assumed that participants would receive the greater of two times their employee contributions with interest or the regular pension benefits.



1300 South Topeka Avenue Topeka, Kansas 66612 913-235-0262 Fax 913-235-3920

TESTIMONY OF SCOTT A. STONE
Executive Director and Chief Counsel,
Kansas Association of Public Employees (KAPE)

Before the House Appropriations Committee.

March 22, 1996, 1:30 p.m.
State Capitol, Room 514-S

In support of House Bill 3080.

My name is Scott A. Stone and I am the Executive Director for the Kansas Association of Public Employees (KAPE). Members of the committee, I appreciate the opportunity to appear before you today in support of House Bill 3080.

There are compelling public policy reasons to pass this Bill. In a time when all the other industrialized countries are dropping below the 40 hour workweek, does Kansas want to regress by forcing its law enforcement officers to work 43 hours per week merely because federal law allows it? The Administration has told the law enforcement officers of this state that the change is because of the new SHARP system. The officers know it is retaliation for an overtime lawsuit a few years ago.

Section 207(k) of the Fair Labor Standards Act (FLSA) allows sworn law enforcement officers to be worked 86 hours in a two week period before they must be paid at the overtime rate. Prior to December 1996, officers worked 40 hours per week.



The Bureau of Investigation, the Department of Revenue, the Department of Wildlife and Parks and the Fire Marshal's Department have all been informed by the Department of Administration that officers must now work 43 hours per week for the same money. All of these agencies, along with the Attorney General, opposed such a change. KAPE is the elected representative of the officers and also opposes such a drastic reduction in compensation. The only opponent to this bill will be the Department of Administration. The affected agencies, the employees and the public supports this Bill

The following elite law enforcement officers are now being asked to take a 7.5% cut in hourly pay:

- KBI Special Agent I
- KBI Special Agent II
- KBI Special Agent III
- Liquor Control Investigator II
- Conservation Officer
- Fire Investigator

The ramifications permeate their conditions of employment. Retirement will be reduced and leave accrual will be at a lower rate than all other state employees. The law enforcement officers of this state deserve respect and fair treatment. That means setting their overtime threshold at 40 hours per week, just like every other employee in the state of Kansas. The Administration's decision to utilize section 207(k) of the Fair Labor Standards Act unfairly penalizes a few hundred officers out of the million other workers in Kansas.

If allowed to proceed, the change will trickle down to most, if not all, county and city law enforcement agencies. Quick perusal of nearly every personnel manual at the local level shows it was taken directly from the Kansas Department of Administration

Personnel Regulations. Within two years, all of the law enforcement officers of this state will be treated as second class citizens with regards to hours worked.

Why is it that most of our state law enforcement officers are being asked to take a 7.5% hourly pay cut? The official reason given by the Administration, is that the changes are required by the new payroll system. The state also claims that they have always had a policy of 171 hours in a pay period. The state's change, though, is equal to forcing all workers to work for minimum wage simply because federal law allows it. The Legislature should make a forceful statement that we want quality law enforcement in Kansas. In all, over 150 of Kansas' best and most visible employees are being asked to work more for less.

Since the officers will now have to work 8.5 hours per day, there is the added insult that while still only accruing sick and annual leave at the rate of eight hours per month, they will be docked leave at 8.5 hours per day. In effect, every month they are employed, or every day they take off for vacation or illnesses, these officers will be losing ground to all other state employees. I have an example of a KBI Special Agent who gave me permission to use his story. Special Agent Joaquin Padilla recently had a valve replaced in his heart. Agent Padilla has been an employee of Kansas for many years. He has been off work for several months now and expects a full recovery. He has lost an entire week of leave time compared to every other state employee. Every day he is off, he loses another half hour of leave time because he is docked 8.5 hours every day.

The officers have numerous allies, but the Lt. Governor and the Governor have not budged. In addition to KAPE, the Secretaries of Wildlife and Parks, and Revenue, the Director of the KBI, and the Attorney General have approached the Administration for

relief from such a patently unfair and detrimental policy, all to no avail. KAPE takes a very strong stance that the fiscal woes of government shall not be balanced on the backs of a few. After all, all Kansans expect quality life and all should bear an equal burden.

House Bill 3080 is the right thing to do and I strongly urge you to vote favorably on it. I would like to thank the members of this committee for their time and consideration on this matter. I will gladly stand for any questions the committee-persons may have. Thank you.

Testimony To The
HOUSE APPROPRIATIONS COMMITTEE

By

Linda J. Fund
Division of Personnel Services

Friday, March 22, 1996

Mr. Chairperson and members of the committee, thank you for the opportunity to present testimony in opposition to HB3080. I am Linda Fund, Manager of the Legal and Labor Relations section of the Division of Personnel Services.

I oppose this bill for three important reasons: First, the question of whether these employees are currently being paid for hours over 80 is currently under litigation. Second, these employees should be negotiating these items at the bargaining table under the Public Employer-Employee Relations Act. Third, statutorily and according to market surveys, these employees are already fairly and legally paid. Troopers, conservation officers, and KBI agents sued the state in 1991 claiming they were not being paid for the hours they worked between 160 and 171. As a side note, they now claim they never had to work 171 hours but now do. It was a union sponsored suit, *Collier v. State of Kansas and Schmitt v. State of Kansas*, and costly to defend but the state won this case. These employees have now appealed to the 10th Circuit Court.

Historically, this is what has happened with these law enforcement officers. In 1986, KBI agents, conservation officers and troopers had their hours of work reduced, but not their pay, from more than 200 per 28 day work period to 171 per 28 day work period by the Fair Labor Standards Act (FLSA). After April 15, 1986, the troopers were scheduled to work 171 hours in a 28 day work period. Many of the conservation officers and agents were only working 160 hours in the 28 day work period. Agencies had allowed these employees to work fewer hours while receiving the full salary for 171 hours. They received overtime after 171 hours in a twenty-eight day work period.

In their suit, troopers, conservation officers and special agents claimed the state had violated the FLSA by not paying them for the hours they worked between 160 and 171. The judge concluded that the state had not violated the FLSA and that these employees' salaries did cover 171 hours in a 28-day work period. The judge verified the state's position that salaries were legally correct in his decision on September 24, 1994. This legislation would pay them 1 ½ times their hourly rate for all hours over 40 per week. If this bill is passed, they would get 50% more in pay than what they asked for and lost in court.

Passing into law a currently litigated issue places the legislature in a precarious position. Historically, the legislature defers a decision in cases where labor litigation is ongoing. The Secretary would encourage you to follow that precedent.

Secondly, the troopers, conservation officers and KBI agents and liquor control officers are represented under the Public Employer Employee Relations Act and should be raising and resolving these matters at the negotiation table, not in this forum. You may hear that other law enforcement officers want

Attachment

3-22-96

HOUSE APPROPRIATIONS

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to be like troopers. However, only the Troopers had a Memorandum of Agreement under PEERA finalized this fall. They agreed to work 80 hours in a fourteen day work period, take an unpaid lunch period and work thirteen more days per year than they had previously without an increase in pay. They receive a straight hourly rate between the hours of 80 and 86 per fourteen day work period and receive time and one half pay or compensatory time after 86 hours in a fourteen day work period. Although we hear from the conservation officers and the special agents that they want to be like troopers, they have truthfully never been like troopers. They do not have regularly scheduled hours and days of work set by the agency they work for nor highly regulated breaks and lunches nor have they negotiated a Memorandum of Agreement.

The trooper work schedule was arrived at in true negotiations in which the State gained something from the troopers and the troopers gained something from the State. To now change the terms and conditions of employment that were bargained over with much difficulty calls into question the whole meet and confer process. If you choose to legislate a pay increase of upwards to 10% for these select employees, there is no need to require the State to spend enumerable hours at the negotiation table with the bargaining units. To change the troopers' work schedule now, upsets the agreement and compromise that was fairly struck between the parties and will have major implications for future meet and confer sessions.

The conservation officers are currently at the table for meet and confer. They have presented a 61 page package of proposals which range from pay for unused sick leave to work hours and scheduled overtime. While we are obligated to meet and confer with these employees, the legislature is discussing the idea of changing their terms and conditions of employment without any negotiation.

KBI agents and liquor control agents have not come to the table to meet and confer yet. However, under PEERA, K.S.A. 75-4321 *et seq.*, the employees who are members of certified bargaining units, should be bringing this matter to the negotiation table rather than the legislature. We believe under current law, pursuant to legislative directive, meet and confer is the proper forum and the Secretary hopes you will allow that process to work.

Third, the State has taken law enforcement officer's complaints regarding their pay very seriously and have investigated those complaints to determine whether or not they were being paid properly. The result of that investigation is that they are being correctly and legally paid. Their current hourly rate of pay based upon 2223 hours of work per year as required by statute is above average when compared to employees in the same positions in surrounding central states.

The state is bound to follow the Fair Labor Standards Act. This federal law sets overtime standards and minimum wages for workers. Law enforcement officers qualify for a 207(k) partial exemption from that act. This means that FLSA allows them to work 43 hours in a seven day work period before being paid overtime, or 86 hours in a fourteen day work period, or 171 hours in a 28 day work period. Overtime pay after 80 hours is not the federal standard for law enforcement employees. These facts are known when their salaries are set by the Director of the Division of Personnel Services who has statutory responsibility to recommend pay rates.

A decision was made late in 1994 to convert all non-exempt employees to hourly pay and to pay all exempt employees a salary. That decision was implemented on December 17, 1995. This method of pay is legally consistent with and more easily enforceable under the FLSA.

K.S.A. 75-5515 states that hourly pay is determined for those classes of employees who have

deviations from the standard workweek on file (this includes law enforcement officers) by dividing the annual salary by the number of hours in the deviated work schedule as approved by the Secretary of Administration. This statute follows the decision of the federal judge that the salary covers all non-overtime hours worked by these employees.

Both the court case and the statute clearly indicate that these employees are being paid the appropriate hourly rate and that their work schedule is correct. The suit was instigated to get them a smaller pay raise than the one they now seek through the legislature. The employees among this group who have worked only 160 hours and received their full salary and now want overtime for all hours over 40 per week, want what will amount to a substantial increase in pay. This is true even though this request is being made in a year that other state employees, who also want raises, will be receiving little, if any, raises.

The Legislature has directed the Director of the Division of Personnel Services to determine salaries for all classified employees. Director McGlasson will now address related compensation issues.

a:hb30801

Testimony To The
HOUSE APPROPRIATIONS COMMITTEE

By
William B. McGlasson, Director
Division of Personnel Services

Friday, March 22, 1996
RE: House Bill 3080

Good afternoon. Thank you for the opportunity to appear before you. The Division of Personnel Services maintains a classification plan that applies to all classified state employees. The classification plan includes unique descriptions of job duties, responsibilities, and the required qualifications for over 29,000 classified state employees in over 750 job classifications. Accurate descriptions of work are necessary to allow effective recruitment of qualified persons and accurate comparisons of positions with other employers so we can establish competitive salaries.

The appropriate compensation for job classifications is based on the results of labor market surveys, the internal alignment of job classes reflecting organizational structure, and the consideration of labor market conditions, including recruitment and retention factors. The State of Kansas uses the annual survey of the Central States Compensation Association (CSCA). These are 19 centrally located states, including Kansas, that exchange compensation information and study compensation practices and classification issues. Other relevant labor market data is obtained from both public and private sector employers.

The pay rates for law enforcement jobs in state government were studied and established as a part of the statewide Comprehensive Classification and Job Rate Study in June, 1989. Subsequent annual compensation surveys have determined that the current pay rates continue to be very competitive for law enforcement officers such as Conservation Officers and KBI Special Agents. The relatively low turnover rate in these job classes and the high number of job applicants is further evidence that these pay rates are appropriate. In fact, based on an actual hourly pay rate survey conducted in 1994, the average hourly rate of these classes exceeds the average hourly rate of all other central states with the same job classifications.

As Linda explained, under 207(k), law enforcement work periods are based on 171 hours in a 28-day period, 86 hours in 14 days, or 43 hours in 7 days. Employees covered by this exemption must exceed these number of hours before receiving overtime compensation. Historically, Kansas has always utilized the 207(k) partial exempt work period established under FLSA for law enforcement employees. In addition, the pay rates have been established to cover the hours worked in connection with the 207(k) exemption.

Currently, the State of Kansas is in full compliance with the FLSA in terms of the overtime threshold. House Bill 3080 would set a precedent for establishing lower overtime thresholds and exceeding FLSA standards by requiring the state to reduce non-overtime hours worked by six hours per pay period. The estimated fiscal impact for the additional overtime pay for hours worked between 80 and 86 hours in a 14-day work period is approximately \$1 million annually.

In accordance with K.S.A. 75-2938, the pay rates for all classified state employees are based on annual compensation surveys and analysis conducted by the Division. The surveys take into consideration parameters set by the FLSA. The same process for conducting salary surveys is used to set the pay rates for all jobs in state government including law enforcement jobs. The surveys have determined that the current pay rates for classified jobs in Kansas, including law enforcement jobs, continue to be very competitive, and often exceed the average rates of those of other states. At the present time, approximately 92% of our job classes are at, or above the average rates being paid by other employers.

Some law enforcement employees have stated that they wish to be treated the same as other state employees with regard to pay, benefits, and hours worked. In the final analysis, there are significantly more differences than similarities in the nature and scope of law enforcement jobs when compared with the majority of other jobs in state government.

One of the most notable differences is that many law enforcement employees belong to a different retirement plan than other state employees. The Kansas Police and Fire (KP&F) retirement system allows law enforcement employees to retire at a younger age and receive a higher employer contribution than other state employees. Retiring at a younger age allows these employees the opportunity to become eligible for another retirement benefit while receiving retirement pay from KP&F.

It is common practice for law enforcement employees with state provided vehicles to be on duty as soon as they leave their driveway at the start of their shift and while returning home at the end of their shift. Some law enforcement employees set their own schedules and hours of work, again including time to and from work. Other state employees are not considered on duty until they report to their work station, excluding time required to travel to and from their work place. Law enforcement employees may be scheduled to work more hours than other state employees, but it is difficult to make a valid comparison of the hours included in those schedules. As you can see, comparisons with other types of jobs in state government is simply not appropriate in most cases. Law enforcement employees in Kansas state government should be compared with law enforcement employees in local jurisdiction and other states.

The Division of Personnel Services encourages the committee to reject this bill. Thank you for your attention. I would be happy to provide you with any additional information.



STATE OF KANSAS

DEPARTMENT OF WILDLIFE & PARKS

Office of the Secretary
900 SW Jackson, Suite 502
Topeka, KS 66612
913/296-2281 FAX 913/296-6953



TO: Representative Robin Jennison, Chairperson, Committee on Appropriations

FROM: Steve Williams, Secretary, Department of Wildlife and Parks

SUBJECT: Testimony on House Bill No. 3080

DATE: March 22, 1996

HB 3080 amends KSA 1995 Supp. 75-5537 to provide that each state officer or employee who is in a 207(k) eligible position shall receive overtime compensation for any hours actually worked in excess of 80 hours in any fourteen day period. The bill would provide that law enforcement positions would receive overtime payments for any hours worked in excess of 80 hours in a two week period. The bill further defines "207(k) eligible positions" to include the Conservation Officer job class within the Kansas Department of Wildlife and Parks(KDWP).

The KDWP currently provides compensation to Conservation Officers based on pay rates and hours of worked established by the Kansas Department of Administration based on standards allowed by the Fair Labor Standards Act for 207(k) positions. This criteria requires Conservation Officer positions within KDWP to work 86 hours within a fourteen day period in order to receive their base amount of pay. In other words, existing procedures require the Conservation Officers to work 86 hours in a fourteen day period before they are eligible for overtime compensation. The base rate of pay for Conservation Officer positions as established by the Division of Personnel Services, Department of Administration, includes compensation for the amount of hours to be worked as a "207(k) position."

The provisions of HB 3080 would require the KDWP to provide overtime compensation for any hours worked by Conservation Officer positions in excess of 80 hours in a fourteen day period. The bill does not provide for an exception to the existing requirements established by the Department of Administration that require a Conservation Officer position to work 86 hours in a fourteen day period to obtain their base pay amount for that pay period. In other words, the Conservation Officer positions within the KDWP would be required to work 86 hours in a fourteen pay period to obtain their base pay amount and the KDWP would be required to pay overtime for the six hours in each fourteen day period that exceed the 80 hour limit established by HB 3080.

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The bill would become effective on July 1, 1996. However, the bill does refer to a June 16, 1996 date on which the work period for 207(k) eligible positions would be amended to include the overtime requirements included in HB 3080.

The FY 1997 Governor's Budget Report provides for seven Conservation Officer II positions, 82 Conservation Officer I positions, and 1 Conservation Officer I Trainee position for a total of 90 positions. The KDWP estimates that the provisions of HB 3080 which require a mandatory six hours of overtime per pay period or 156 hours per year will require additional expenditures of \$332,353. This estimate is based on an overtime rate of \$24.99/hour for Conservation Officer II positions and \$20.79 for Conservation Officer I positions. The following table provides the calculation to obtain the estimated expenditures:

7 CO II positions X 156 hours X \$24.99 equals	\$ 27,289
82 CO I positions X 156 hours X \$20.79 equals	265,946
Subtotal	\$293,235
Add fringe benefits at 13.34 percent	\$ 39,118
Total	\$332,353

The additional expenditure will be financed as follows:

State General Fund	\$ 39,882
Park Fee Fund	33,235
Wildlife Fee Fund	219,354
Boating Fee Fund	39,882
Total	\$332,353

The expenditures required by the passage of HB 3080 would be in addition to amounts included in the FY 1997 Governor's Budget Report. The provisions of HB 3080 would place an additional demand on limited resources available to the KDWP and would impact priority goals of the KDWP to comply with federal aid demands and to maintain existing facilities.

March 25, 1996

TO: Members of the House Appropriations Committee
FROM: Mark Gauntt, Conservation Officer

Dear Members:

I would like to take this opportunity to express my gratitude for your time and consideration of H.B. 3080. As you can see this issue is of the greatest importance to State Law Enforcement Officers, and no other issue has degraded the morale of officers more than this one. I now feel compelled to address some of the statements made during the Committee hearing on March 22nd.

Ms. Fund gave testimony that seemed to imply that officers should be required to work 86 hours in 14 days to comply with the Fair Labor Standards Act (FLSA). FLSA is only a guideline, and in no way compels employers to force employees to work extra hours. I as well as most people are of the understanding that this deviation of work schedules was intended to help alleviate the burden of paying a lot of overtime to job classes that typically work overtime. No where in this law does it state that those hours between 80 and 86 should be considered as part of the normal salary. I believe the intent was to pay for those hours at straight time pay. The Department of Administration has elected however, to consider all hours under 86 to be compensated by the normal salary. This means that officers are paid a lower hourly rate of pay than any other state employee on the same range and step of the pay plan.

Ms. Fund was correct that Judge Saffels ruled in favor of the State in the Schmidt/Collier lawsuit. What Ms. Fund left out were the Judges exact words in his ruling, which were: "The disparity may be unfair, and the court believes it is, but it is not a violation of FLSA." It is clear that an impartial Federal Judge does not believe that it is fair to employees to not additionally compensate them for those hours over 80.

Ms. Fund would like for the legislature to avoid this issue and place it back under her control through the meet and confer process. As you heard in testimony, there is no guarantee that this issue would be resolved by this process. It was correctly brought out that there is no binding arbitration in this process and the Department of Administration is not bound to resolve this issue. The meet and confer process is an important one, however it is very lengthy. Additionally this process must be renegotiated at the end of the contract term. This could put

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officers back in the same working conditions two years after the initial resolution of the issue. It seems appropriate to have the legislature resolve such a fundamental and important issue, and avoid repetitive and costly negotiations. This is particularly pertinent in light of the fact that not all affected employees are part of a bargaining unit, and will not be taken care of without such intervention.

Ms. Fund made mention of the agreement with the Trooper's Association, and stated that Conservation Officers and Special Agents aren't in fact like Troopers. She seemed to imply that somehow it is a benefit to officers to be able to set their work schedules. This in no way is a benefit to the employee but is a benefit to the employer. Officers rotate and adjust their schedules to maximize their efficiency and to be working at peak times. We work evenings, weekends, and holidays when more activity is expected. We split our daily hours up to better cover the peak hours. It would be much more convenient for the officer to work a set straight 8 hour shift and return home. This would allow more time with family and allow officers to better plan non-work hours. We have accepted this situation and have worked those hours to the greatest good of the State.

Ms. Fund made issue of officers only working 160 hours in the past. These officers were directed by their agency to do this. In fact in some instances officers were threatened with disciplinary action if they worked over this threshold. Perhaps Ms. fund is not aware that officers sometimes work more than 8 hours per day, yet only recorded 8 hours. Officers did this because they are dedicated to their jobs. To give one personal example, during the flood of 1993, I worked 30 straight hours and only recorded 9 hours. I did this willingly to help the people affected by this disaster. Now since morale has been destroyed by this issue, officers are not as willing to give anything extra. Many officers are now counting hours they previously did not such as phone calls at home and paperwork done at home. This will prove to be an overall loss as a result of this issue not a gain as Ms. Fund expects.

Mr. McGlasson would lead you to believe that most states require their officers to work this higher threshold of hours. In fact, besides Kansas, only Mississippi and Georgia do this. This would seem to indicate that officers are not out of line in their request. Mr. McGlasson also made an issue of officers taking vehicles home and being able to start duty time from their home. Vehicles are taken home for agency benefit not the officers. This allows the officer a quick response time to calls which is needed in emergency situations. Officers are then capable of spotting or responding to calls immediately upon leaving their home. Officers are often called back to work at all hours of the day and would not be serving the public responsibly if they had to spend additional time to retrieve a vehicle prior to their response.

Mr. McGlasson was asked if it was true officers expend their leave time at a higher rate than other state employees. This can easily be demonstrated with

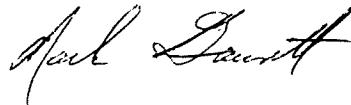
two examples of use of leave time. If an officer were to take a two week vacation, he would have to use 86 hours of leave where other state employees would only use 80 hours. If an officer was on sick leave for two weeks he would use 86 hours of sick leave compared to other employees only using 80 hours.

Mr. Koerth made the claim that H.B. 3080 would cost the Department of Wildlife and Parks a great amount of overtime pay. This is not the case at all. If H.B. 3080 were passed, a simple request for elimination of the current deviation with DOA would resolve any perceived problems. Officers fully expect that agencies will return to policies that require officers to work only 80 hours, thus avoiding overtime, and those hours over 80 and under 86 would serve as a buffer to allow emergency call-outs.

As stated by officers at the hearing we regard this as an issue of fairness and can't be assured of resolving this issue through meet and confer. We only ask that you try to put us on a more even playing field with the rest of the state employees. We ask that you pass legislation that would establish an 80 hour work week, with those hours between 80 and 86 paid at the regular hourly rate of pay and overtime after 86 hours. We also request that you figure our hourly rate of pay the same as other employees, that being annual salary for a salaried state employee at the same pay grade and step divided by 2080 hours, instead of the 2223 hours. Although we are appreciative of the original authors of this bill in trying to grant overtime after 80 hours, we believe the compromise of regular pay between 80 and 86 hours to be fair.

Thank you again for your time and consideration of these issues.

Sincerely,



Mark Gauntt
Conservation Officer

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

COMMISSION OF CHILDREN AND FAMILY SERVICES

IMPLEMENTATION PLAN: PRIVATIZATION INITIATIVES

- 1. FAMILY PRESERVATION**
- 2. ADOPTION**
- 3. FOSTER/GROUP CARE (REINTEGRATION)**

**PRESENTED BY: TERESA MARKOWITZ
COMMISSIONER, CHILDREN AND FAMILY SERVICES
March 6, 1996**

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OVERVIEW

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In 1995, the House Subcommittee reviewing SRS appropriations recommended the Department of Social and Rehabilitation Services move toward privatization as noted below:

- "The Subcommittee recommends that the state should move towards the privatization of family foster care..."
- "The long term benefits to both children in the state and to taxpayers in terms of reduced costs are compelling reasons to move with all due speed toward privatization."

The department of SRS determined to proceed with privatization in three primary service areas:

1. Family Preservation
2. Adoption
3. Foster/Group Care

These initiatives by the department of SRS are consistent with a growing sentiment in the nation and in Kansas for a changed role for government to that of manager of human services rather than provider of services and to promote stronger partnerships between public and private sector. The following pages summarize what has been accomplished to date, and what is planned over the next several months. I caution you to view this document as a "work in progress", thus details presented are not exhaustive and are subject to modification.

OBJECTIVES OF PRIVATIZATION

5-2

1. Build a contractual relationship/partnership between public and private sector.
2. Outcome driven delivery system.
3. High quality, cost-effective services through competitive bid process.
4. Single point of entry for services.
5. Equitable services for all Kansas children and families.
6. Combine both clinical and fiscal responsibility within the same entity.
7. Promotion of "least restrictive environment" concepts and prevention.
8. Single SRS case manager throughout service delivery.
9. Allows provider to determine clinical needs to achieve desired outcomes.
10. Promotion of clear lines of responsibility and accountability between public and private sector.
11. Reduces governmental intrusion into family life.
12. Re-engineer current delivery system but maintain SRS infrastructure as a safety net during transition.
13. Maintain final accountability with the governmental agency answerable to the electorate.
14. Increase opportunity to utilize the expertise and creativity of a wide range of providers.
15. Maximize the utilization of current local providers as the cornerstone of system reform and development and their experience.

9-6
7-6

ROLE OF SRS

The move to privatization will not diminish the importance of the role of SRS. The department will continue to have a pivotal role in determining when such services are required and contracting for and monitoring the outcomes of the services. As private providers assume responsibility for the delivery of direct services, it will be increasingly important for the department to provide:

1. Child protective services and management of the care and custody of children in need of care.
2. Case management, ensuring the safety of the child and other family members.
3. Timely and accurate intake and assessment of family strengths and needs.
4. Appropriate referrals to community providers.
5. Monitoring for:
 - a. Quality and appropriateness of services
 - b. Statewide availability of services
 - c. Compliance with pre-established outcomes
 - d. Compliance with contract provisions
6. Access to levels of service through single case manager.

ISSUES ADDRESSED IN CURRENT SRS DELIVERY SYSTEM

7-7

1. Lack of coordination of services within a community.
2. Unevenness of service availability statewide.
3. Services not outcome based.
4. Multiple SRS workers can be involved with same child/family.
5. Blurring of roles when worker is both the provider and manager of services.
6. Limited utilization management resulting in extended and sometimes inappropriate out of home placement
7. Services provided by a governmental agency such as SRS are perceived as more intrusive.
8. Trying to fit children/families in prescriptive services rather than focusing on needs of the child and family.
9. Limited accountability with providers or with SRS workers.
10. Limited focus on prevention.
11. Lack of coordination of services provided by multiple providers.

CRITERIA FOR SELECTING PROGRAMS FOR PRIVATIZATION

1. Program would not invoke the law enforcement or regulatory powers of the State.
2. Program is clearly definable in terms of scope of service and client population to be served.
3. Program services can be provided within identified regions.
4. Past SRS experience in purchasing the service.
5. Availability of qualified providers who could meet or exceed current SRS practice standards.
6. Ability to achieve compliance with the Settlement Agreement between SRS and ACLU.
7. Program would support but not compete with basic mission of SRS/CFS.
8. Program is essential to carrying out the mission of SRS/CFS.
9. Present a maximum opportunity for collaboration among SRS and community providers.
10. Would not decrease or jeopardize maximum federal financial participation in program funding.

CONCLUSIONS

1. Social Service delivery needed to be simplified, and this could be achieved if one SRS worker followed the child/family from case opening to case closure.
2. It is not realistic that a single SRS worker could have all the knowledge, skills, expertise to DELIVER all services needed by a child/family from case opening to case closure.
3. Privatization is a means of achieving maximum role clarity for client, agencies, community.
4. First privatization initiatives should be limited to programs that did not invoke the law enforcement or regulatory powers of the state.
5. SRS maintains responsibility for setting service standards and outcome measures.
6. SRS maintains responsibility for case and contract compliance monitoring functions.
7. Programs to be privatized need to be well defined discrete services which are essential to achieving the mission of the agency.
8. The following programs meet the criteria and support the above conclusions:
 - Family Preservation
 - Adoption
 - Foster Care Services

COMPARISON CHART

7-10

ELEMENT	CURRENT SRS SYSTEM	PRIVATIZED SRS SYSTEM
1. Intake/Assessment/ Eligibility	A. Multiple assessments B. Multiple SRS workers	A. Single screen utilized by all B. Single SRS case manager
2. Service Delivery <ul style="list-style-type: none"> • Coordination • Duration • Types 	A. Multiple SRS Worker involved in service delivery B. Autonomous delivery of services between commissions and providers C. Needs of clients compartmentalized D. Prescriptive deliverables, forcing client to fit into pre-determined services E. Availability of service not equal across State F. Focuses on services provided by SRS and defined group of providers G. Crisis oriented, limited proactive efforts H. Case plan, service plans diverse between private/public	A. Single SRS advocate as "champion for child/family" B. Seamless delivery, boundaryless C. Needs of client viewed holistically D. Allows flexibility of providers to create programming to meet needs of client E. Equal services for ALL KANSAS CHILDREN/FAMILIES F. Broadens services, potential of bridging gap between public/private and other departments; e.g., public health, education G. Prevention focused within the community H. Single individualized plan across services
3. Outcomes	A. Emphasis on process not outcomes B. Limited management responsibilities C. Semi-annual administrative reviews and dispositional hearings D. Focus on stabilization not permanency	A. Quality management and assurance system with emphasis on outcomes B. SRS becomes manager, utilizes private sector C. Concurrent utilization management and review D. Focus on permanency within 365 days
4. Financing	A. Categorized funding B. Clinical and financial decision rests with separate entities	A. Emphasis on pooled funding B. Clinical and financial responsibilities within same entity

FAMILY PRESERVATION

11-2

OVERVIEW

1. Five (5) geographic regions to cover the entire state
2. Single point of access per region
3. Single vendor for each region with multiple community-based subcontractors
4. Referrals from SRS based on standardized statewide criteria
5. Outcome based
6. Fee-for-service family rate
7. Promote public/private partnership with shared responsibilities
8. SRS to act as manager
9. Provider responsible for all clinical decisions
10. Assure equity for all Kansas families
11. Twelve month contract

TIME FRAMES

ELEMENT	RESPONSIBLE PARTY	TARGET DATE	COMPLETION DATE
1. Review current design(s) across the state and national data	Jan Waide (CFS)	November 1, 1995	November 1, 1995
2. Develop draft Request for Proposals	Jan Waide (CFS)	December 1, 1995	December 1, 1995
3. Finalize Request for Proposals	Fran Welch (DOA)	January 2, 1996	January 2, 1996
4. Issue Request for Proposals	Fran Welch (DOA)	January 11, 1996	December 29, 1995

7-12

TIME FRAMES

ELEMENT	RESPONSIBLE PARTY	TARGET DATE	COMPLETION DATE
5. Information teleconference with SRS staff	Teresa Markowitz (CFS)	January 16, 1996	January 16, 1996
6. Development of Internal Transition Team (statewide representation)	Shannon Manzanares	January 15, 1996 (meet weekly)	January 17, 1996 (ongoing)
7. Pre-Bid Conference	CFS/DOA	January 18, 1996	January 18, 1996
8. Develop contract review team with line staff representation	Jan Waide (CFS)	January 12, 1996	January 12, 1996
9. Internal Transition Team to develop plan to address: <ul style="list-style-type: none"> • staffing needs • policy and procedure development • implementation, transition of cases • cost projections, payments, allocations • case monitoring • contract monitoring • management information systems • ACLU Settlement goals 	Shannon Manzanares (CFS)	February 1, 1996	February 1, 1996 (ongoing)
10. Receive proposals	Fran Welch (DOA)	February 13, 1996 (13 proposals received)	February 13, 1996
11. Contract Review Team to evaluate proposals and make final decisions	Jan Waide (CFS)	February 23, 1996	February 23, 1996

9-2

TIME FRAMES

ELEMENT	RESPONSIBLE PARTY	TARGET DATE	COMPLETION DATE
12. Complete negotiations	Teresa Markowitz (CFS) Fran Welch (DOA)	March 11, 1996	
13. Internal Transition Team to finalize plans as identified in #9	Shannon Manzanares	April, 1, 1996	
14. Determine whether to move forward based on all data received from proposals and from data gathered internally	Teresa Markowitz (CFS)	April 15, 1996	
15. Implement Family Preservation if determination has been made to proceed	Teresa Markowitz (CFS)	July 1, 1996	

REGIONS (BY SRS MANAGEMENT AREAS)

REGION #1 Chanute, Emporia, Olathe

REGION #2 Kansas City, Lawrence

REGION #3 Topeka, Manhattan, Salina

REGION #4 Garden City, Hays, Hutchinson

REGION #5 Wichita

OUTCOMES

41-14

1. OUTCOME GOAL: Contractor shall accept all SRS referrals.
INDICATOR:
 - a. 97% of all families referred shall be engaged in the treatment process.
2. OUTCOME GOAL: Children will be safe from abuse and/or neglect
INDICATORS:
 - a. 90% of families will not have confirmed abuse or neglect during program participation
 - b. 80% of families successfully completing the family preservation program (no child removed from the home) will not have a child placed outside the home within six months of case closure.
3. OUTCOME GOAL: Children will not require out-of-home placement
INDICATORS:
 - a. 80% of families will not have a child placed outside the home during program participation.
 - b. 80% of families successfully completing the family preservation program (no child removed from the home) will not have a child placed outside the home within six months of case closure.
- 4.* OUTCOME GOAL: Adjudicated juvenile offenders will not re-offend.
INDICATORS:
 - a. 90% of adjudicated juvenile offenders participating in the family preservation program will not be adjudicated for an additional offense during participation in family preservation.
 - b. 85% of adjudicated juvenile offenders successfully completing the family preservation program (no re-offense or placement) will not be adjudicated with an additional offense within six months of case closure.
5. OUTCOME GOAL: Petitions filed to remove child in cases of service or continued maltreatment
INDICATOR:
 - a. Petitions will be filed by District/County Attorney based on documentation provided on families
6. OUTCOME GOAL: Family members will be satisfied with the services provided.
INDICATOR:
 - a. Participants will report 80% satisfaction as measured by the Client Satisfaction Survey 30 days from start of the program.

*The percentage for this goal is an issue of negotiations with bidders for the Family Preservation contract.

ADOPTION

OVERVIEW

1. Single vendor to provide services statewide with multiple community-based subcontractors.
2. Services begin at point of Court severance through 12 months post-adoption.
3. Services to include; recruitment, training, placement, support, etc.
4. Outcome based.
5. Promote public/private sector with shared responsibilities.
6. Provider responsible for all clinical decisions.
7. Assure equity for all Kansas children.
8. Goals to include reduction in time awaiting permanency and a focus on placement for all Kansas Children.

TIME FRAMES PROPOSED

ELEMENT	RESPONSIBLE PARTY	TARGET DATE	COMPLETION DATE
1. Review current delivery of services and meeting with individual adoption provider agencies	Teresa Markowitz (CFS)	December 1, 1995	December 1, 1995
2. Development of Internal Transition Team (statewide representation)	Shannon Manzanares	January 15, 1996; weekly (as part of Family Preservation Team)	January 17, 1996 (ongoing)
3. Develop draft Request for Proposals	Jan Waide (CFS)	February 7, 1996	February 7, 1996
4. Provide questions and answers with providers, SRS an adoptive parents	Jan Waide (CFS)	February 9, 1996	February 9, 1996

7-16

TIME FRAMES PROPOSED

ELEMENT	RESPONSIBLE PARTY	TARGET DATE	COMPLETION DATE
5. Request for Information Meeting with providers	Jan Waide(CFS)	February 21, 1996	February 21, 1996
6. Information Teleconference with all internal staff	Jan Waide (CFS)	March 8, 1996	
7. Finalize Request for Proposals	Fran Welch (DOA)	March 28, 1996	
8. Pre-Bid Conference	CFS/DOA	April 11, 1996 (projected)	
9. Develop Contact Review Team	Jan Waide (CFS)	April 11, 1996 (projected)	
10. Internal Transition Team to develop plan to address: <ul style="list-style-type: none"> • staffing needs • policy and procedure development • current caseload - "hard to place" children • cost projections, payments, allocations • case monitoring • contract monitoring • MIS expectations • ACLU requirements 	Shannon Manzanares (CFS)	February 1, 1996 (as part of Family Preservation Team)	February 1, 1996 (ongoing)
11. Receive proposals	Fran Welch (DOA)	May 2, 1996	
12. Contract review team to evaluate proposals and make final decisions	Jan Waide (CFS)	May 17, 1996	

7-17

TIME FRAMES PROPOSED

ELEMENT	RESPONSIBLE PARTY	TARGET DATE	COMPLETION DATE
13. Complete negotiations	Teresa Markowitz (CFS) Fran Welch (DOA)	May 30, 1996	
14. Internal Transition Team to finalize plans as identified in #8	Shannon Manzanares (CFS)	July 1, 1996	
15. Determine whether to privatize based on all data gathered	Teresa Markowitz (CFS)	July 1, 1996	
16. Implement Adoption	Teresa Markowitz (CFS)	October 1, 1996	

OUTCOMES PROPOSED

1. OUTCOME GOAL: Children will be placed for adoption in a timely manner.
INDICATOR:
 - a. 90% of children will be placed with adoptive families within 180 days of the receipt of the referral for adoption.
2. OUTCOME GOAL: Children will have permanent homes through adoption.
INDICATOR:
 - a. 90% of adoptive placements will be finalized within 12 months of the placement date.
3. OUTCOME GOAL: Adoptive families will be satisfied with adoption services.
INDICATOR:
 - a. 90% of families will be "very satisfied" or "satisfied" with services delivered through an SRS evaluation survey form.
4. OUTCOME GOAL: Siblings should be kept together
INDICATOR:
 - a. 65% of each sibling group referred for adoption will be placed with the same adoptive family.
5. OUTCOME GOAL: Children will remain in the same foster care placement pending adoption.
INDICATOR:
 - a. 95% of all children placed for adoption will experience no more than two moves from the point in time parental rights are terminated until adoption is finalized.

FOSTER/GROUP CARE PROPOSED

872
718

OVERVIEW

1. Five (5) geographic regions to cover the entire State.
2. Single point of access per region.
3. Single vendor for each region with multiple community-based subcontractors.
4. Referrals from SRS for all out-of-home placements.
5. No eject/no reject policy to be implemented.
6. Outcome based.
7. Promote public/private partnership with shared responsibilities.
8. SRS to act as manager.
9. Providers responsible for all clinical decisions, determination of levels of care, needed services and fiscal accountability.
10. Assure equity for all Kansas children.
11. Focus on limited placement movement and on prevention.
12. Focus on permanency within 365 days

TIME FRAMES PROPOSED

ELEMENT	RESPONSIBLE PARTY	TARGET DATE	COMPLETION DATE
1. Review current service delivery system and assess for effectiveness	Teresa Markowitz (CFS)	February 1, 1996	February 1, 1996
2. Establish/determine data needed to review potential of privatizing	David Scott (CFS)	February 15, 1996	February 15, 1996
3. Host First Request for Information meeting with Providers	Jan Waide (CFS)	February 21, 1996	February 21, 1996
4. Send informational letter to foster parents with questionnaire regarding privatization initiatives	Jan Waide (CFS)	March 12, 1996	

TIME FRAMES

7-19

ELEMENT	RESPONSIBLE PARTY	TARGET DATE	COMPLETION DATE
5. Answer all questions as identified by providers and collect all data as requested by providers	As Assigned	March 12, 1996	
6. Host second request for information meeting with providers	Jan Waide (CFS)	March 14, 1996	
7. Answer all questions as identified by providers	As Assigned	March 21, 1996	
8. Determine need for third request for information meeting and provide if deemed necessary	Teresa Markowitz	March 28, 1996	
9. Hold an internal teleconference to review internal SRS questions/concerns	Jan Waide (CFS)	April 1, 1996	
10. Development of Internal Transition Team (statewide representation)	Shannon Manzanares (CFS)	January 15, 1996 (as part of Family Preservation Team)	January 15, 1996 (ongoing)
11. Develop draft Request for Proposal	Jan Waide (CFS)	To be determined	
12. Develop Contract Review Team	Jan Waide (CFS)	To be determined	
13. Internal Transition Team to develop plan to address: <ul style="list-style-type: none"> • staffing needs • policy and procedure development • transition of current out-of-home placements • transition of current SRS foster homes • cost projections, payments, allocations • case monitoring • contract monitoring • MIS expectations • Pooled funding • ACLU requirements 	Shannon Manzanares (CFS)	February 1, 1996 (as part of Family Preservation Team)	February 1, 1996 (ongoing)
14. Finalize request for proposals to include outcomes	Fran Welch (DOA)	To be determined	

TIME FRAMES

ELEMENT	RESPONSIBLE PARTY	TARGET DATE	COMPLETION DATE
15. Issue Request for Proposal with all accompanying data	Fran Welch (DOA)	To be determined	
16. Pre-Bid Conference	CFS/DOA	To be determined	
17. Responses to Pre-Bid Conference	Jan Waide (CFS)	To be determined	
18. Receive proposals	Fran Welch (DOA)	To be determined	
19. Contract Review Team to evaluate proposals and make final decisions	Jan Waide (CFS)	To be determined	
20. Complete negotiations and finalize contracts	Teresa Markowitz (CFS) Fran Welch (DOA)	To be determined	
21. Internal Transition Team to finalize plans as identified in #11	Shannon Manzanares	November 1, 1996	
22. Awards are final	Fran Welch (DOA)	To be determined	
23. Implement Foster/Group Care	Teresa Markowitz (CFS)	To be determined	

REGIONS (BY SRS MANAGEMENT AREA) PROPOSED

- REGION #1 Chanute, Emporia, Olathe
- REGION #2 Kansas City, Lawrence
- REGION #3 Topeka, Manhattan, Salina
- REGION #4 Garden City, Hays, Hutchinson
- REGION #5 Wichita

OUTCOMES

Have yet to be developed for this RFP. Outcomes will be fact based and reflect national standards.

QUESTIONS POSED BY HOUSE APPROPRIATIONS FEBRUARY 15, 1996

12-21

I. Generally, how the model for privatization is developed for a particular service, and what mechanism is in place in order to modify the method for privatization as necessary.

1. The model for privatization is developed through:
 - A. Objectives of privatization (see page 2)
 - B. Role of SRS (see page 3)
 - C. Issues needing addressed (see page 4)
 - D. Criteria for selecting programs (see page 5)
 - E. Conclusions (see page 6)
 - F. Development of adequate safeguards/measures to assure the safety of children
 - G. Establishment of nationally accepted standards of care for all services
2. Mechanism for modifying model:
 - A. Each RFP implemented will have a review team from SRS to do on-going, quality reviews statewide to assure success. This review team will gather data, interview recipients, providers and SRS personnel and will monitor outcomes. Monthly reports of results will be submitted to the Secretary of SRS. The Secretary of SRS will assign a team consisting of provider representation, SRS representation and consumer representation to review monthly data and make recommendations for improvement to the Secretary.
 - B. SRS will purchase the service of an outside company to evaluate the entire RFP process and the effects it has on 1). The family/child, 2). The provider, 3). The community, and 4). SRS, and make recommendations for improvement/modification.

II. Whether there is a process to assess the impact of privatizing a service?

1. Impact assessment prior to implementation: See pages 2 through 6.
2. Impact assessment upon implementation: Utilization of outside company as noted in question I., Section 2 B, page 18
3. Utilize current data base and compare historical data to monthly data to include:
 - A. Availability/accessability
 - B. Outcomes within service delivery systems
 - C. Number of children/families served
 - D. Client satisfaction
 - E. Cost effectiveness

7-22

II. What is the process for modification of SRS infrastructure in order to accommodate implementation of privatization initiatives?

1. Shift to a role of case manager within SRS., new job responsibilities and organizational chart .
2. Design infrastructure to accommodate shift from provider of services to manager of services.
3. Identify key responsibilities of SRS that would not change with privatization.
4. Utilize REST studies to understand current work load of SRS personnel.
5. Utilize current standing teams within SRS to accomplish conclusions cited on page 6.
6. Develop training statewide to assist with the identified infrastructure changes.
7. Weekly conference calls with all Social Service Chiefs to evaluate infrastructure changes and how to accomplish.
8. Ongoing Review Team reports to analyze the infrastructure changes as they are being implemented.
9. Detailed data on utilization of services and on budget expenditures.
10. Create internal infrastructure team to accommodate above goals and assist in operationalizing of these concepts.

IV. How will privatization efforts be subsidized? How is it reflected in current budget?

1. See attached budget information page.
2. It is assumed there will be:
 - a. A reduction in SRS personnel, with an emphasis on single case manager.
 - b. Current budget projections will be adequate to cover privatization efforts.
 - c. Determination can only be made once potential bids have been submitted, with projected pricing.

V. How privatization impacts service delivery system. . . qualifications of staff.

7-23

Position/Initiative	Qualifications Now	Qualifications Future
1. Family Preservation	BSW (direct services)	MSW or Master in Human Services or BSW with four years (direct services)
2. Adoption Providers	Licensed child placing agency	Licensed child placing agency
3. Foster Homes	Licensed/MAPP prepared	Licensed/MAPP prepared
4. Group Homes	Licensed/Purchase of Service minimum standard	Licensed/Purchase of Service minimum standard

VI. How will effectiveness be monitored, what will the monitors be, how will they be implemented and how will legislative body be informed of results?

1. Privatized services will be monitored through the provider sending to the client's SRS area social worker (case manager) a "MONTHLY CASE STATUS REPORT" and by sending to the Commission on Children and Family Services a "QUARTERLY CLIENT OUTCOME REPORT".
2. The MONTHLY CASE STATUS REPORT will be designed, dependent on what services are being monitored, to capture progress obtained in that month by the client in accomplishing client specific performance indicators per that client's individual case plan. For example, attendance at parenting classes; participation in family therapy sessions, participation in GED classes, etc.
3. The QUARTERLY CLIENT OUTCOME REPORT will be designed to track for that particular program, program outcomes by client that were identified in the provider contract. This report will contain target outcomes and actual outcomes by client. For example, families remaining together without any confirmed abuse, children placed for adoption within certain time frames, etc.
4. Children and Family Services will conduct periodic analysis of both reports. The analysis of the quarterly report will result in program evaluation information regarding the relative effectiveness of each program, and this information will be provided to providers, key agency staff, advocates and legislative staff.
5. The analysis of the MONTHLY report will be focused on determining if obtainment of client specific activities support successful obtainment of client outcomes.
6. In addition to these two outcome focused data collection activities, on a quarterly basis, CFS staff will conduct on-site examination of the providers records to determine that the "assurances" of the contract are being maintained and to validate on a random basis the client date (Monthly and Quarterly) being submitted to SRS.
7. Quarterly Client Outcome Reports will be made available as per the request of the legislative body.
8. The internal case management system and the assessment and investigative systems will be evaluated through the Program Analysis Unit (CFS) with quarterly reports to the Secretary and to the legislative body as requested.

42-2

BUDGET

SFY 1997 GBR

Commission Summary By Program		Commission Summary With Privatization Initiatives	
Administration	\$5,150,969	Administration	\$2,918,747
Grants (1)	7,604,834	Child Protective Services	12,186,649
Custody/Adoption	62,276,202	Family Support/Education	11,460,926
Field Services	47,355,464	*Family Preservation	9,121,257
Direct Services	5,590,852	*Adoption Services	7,731,092
		Adoption Subsidy	6,657,604
		*Foster/Group Care	63,216,727
		Eligibility/Contract Monitoring	3,125,707
		Grants (1)	9,776,114
		CETU	1,783,499
Total	\$127,978,321	Total	\$127,978,321
(1) Federal Funds only		(1) Federal and State Funds	

* This data based on current estimates. The items are subject to change, but the total is not.