

Approved: 4-2-97  
Date

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chairperson Phil Kline at 1:38 p.m. on March 24, 1997 in Room 514-S of the Capitol.

All members were present except:

Committee staff present: Alan Conroy, Russell Mills, Stuart Little, Legislative Research Department;  
Jim Wilson, Mike Corrigan, Revisor of Statutes Office;  
Marcia Ayres, Appropriations Secretary; Helen Abramson, Administrative Aide

Conferees appearing before the committee: Mr. Jon Josserand, Legislative Liaison for KU  
Dr. David Shulenburg, Provost at KU  
Ms. Terry Bernatis, Kansas Health Benefits Administrator  
Mr. Tom Wilder, Kansas Insurance Department

Others attending: See attached list

Supplementary testimony on HB 2271 and SB 5 regarding privatization of Kansas Industries for the Blind was distributed to the members.

**Hearing on SB 186 - State educational institutions; regulation and control of parking**

**Mr. Josserand.** Jon Josserand, legislative liaison for the University of Kansas, appeared on behalf of SB 186 which would amend Kansas statutes regarding the use of parking fees at Regents' institutions and would broaden the permissible use of parking fees to be used for the costs of related transportation services. (Attachment 1)

After some discussion, the hearing was closed.

**Hearing on SB 300 - KU-Medical authorized to purchase disability insurance**

**Mr. Josserand.** Jon Josserand, legislative liaison for the University of Kansas, testified on behalf of SB 300 which would authorize the University of Kansas Medical Center to purchase disability insurance for students and house staff at the center. (Attachment 2)

Discussion followed and the hearing was closed.

**Hearing on SB 371 - Providing for health benefits for certain state employees of the University of Kansas**

**Dr. Shulenburg.** Dr. Shulenburg, provost and professor of business, appeared in support of SB 371 which would allow two women who are surviving spouses and are also employed in a grant-funded capacity at the university to participate in the state insurance plan at their own expense when their grant-funded employment ends. (Attachment 3)

**Ms. Bernatis.** Terry Bernatis, health benefits administrator, spoke on behalf of the Secretary of Administration in support of SB 371. She stated the Secretary supports the designation of these two women at some point in time as surviving spouses based on miscommunication to these women by the university. (Attachment 4)

**Mr. Wilder.** Tom Wilder, Kansas Insurance Department, presented a letter from the Commissioner of Insurance giving background information on the two employees involved in SB 371. (Attachment 5)

Questions for the conferees followed after which the hearing was closed.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS, Room 514-S Statehouse, at 1:30 P.M. on March 24, 1997.

A motion was made by Representative Helgerson, seconded by Representative Landwehr, to pass SB 186 and to place it on the consent calendar. No discussion. The motion carried.

A motion was made by Representative Weber, seconded by Representative Landwehr, to introduce a bill concerning school districts and prescribing certain restrictions on the use of property and services. The motion carried.

The meeting adjourned at 2:34 p.m.

The next meeting is scheduled for March 25, 1997.



March 24, 1997  
Jon Josserand  
Legislative Liaison  
University of Kansas

**TESTIMONY BEFORE THE HOUSE APPROPRIATIONS COMMITTEE**  
**Senate Bill 186**

I am pleased to appear today on behalf of SB 186. The bill was introduced at the request of the University of Kansas.

SB 186 amends K.S.A 74-3209 regarding the use of parking fees at Regents institutions. The amendment sought would broaden the permissible use of parking fees to be used for the costs of related transportation services.

The Lawrence campus recently completed a two-year extensive planning process, resulting in a Long Range Physical Development Plan. The Plan was developed through numerous planning meetings involving campus, neighborhood and community representatives. The planning process addressed a number of physical campus issues which will guide officials for a ten to twenty year period. High among the issues considered were the issues of campus aesthetics, transportation, safety, and parking. One recommendation which came from this process was to consider the use of satellite parking with a shuttle service being provided to the central campus.

An initial set of possible changes to the parking and transportation system at KU is now being circulated for wider comment within the University. Included among those changes is a reduction in the amount of parking including in the central campus and the related use of a "park and ride" system.

Kansas law currently allows for campuses to establish systems of parking, create and improve streets and lots, and to charge fees for their use. Currently, this law would appear to preclude the campuses to charge for a "park and ride" system. SB 186 would allow for any campus to design and administer an integrated system and charge a single fee. The amendment is permissive in nature and would not require any campus to modify their existing parking system.

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March 24, 1997  
Jon Josserand  
Legislative Liaison  
University of Kansas

**TESTIMONY BEFORE THE HOUSE APPROPRIATIONS COMMITTEE**  
**Senate Bill 300**

I am pleased to appear today on behalf of SB 300. The bill was introduced by this Committee at the request of the University of Kansas. I would like to thank the Chairman and the Committee for your time today to hear the bill.

SB 300 would authorize the University of Kansas Medical Center to purchase disability insurance for students and housestaff at the center.

Coverage would extend to medical, nursing, and allied health students who are engaged in clinical training. This training necessarily involves exposure to a range of workplace hazards which you might expect to find in the medical environment. Of special concern is the a wide range of pathogens which students may inadvertently or accidentally encounter, either with a patient directly, or with associated laboratory or research procedures.

Because of these risks, national accrediting bodies have recommended that students be afforded the opportunity to participate in a disability insurance program. The University agrees and wishes to make appropriate coverage available.

SB 300 would allow for the Medical Center to obtain group disability insurance for this purpose. Premiums would be paid primarily by student fees charged to students participating in the program. We estimate this fee will approximate \$20 per student per academic year. The total cost of this program would approximate \$26,000 per year. No State General Fund resources will be used to finance the costs of this program.

I would be pleased to answer any questions.

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Attachment 2

March 24, 1997  
Dr. David Shulenbuger  
Provost and Professor of Business  
University of Kansas

**TESTIMONY BEFORE THE HOUSE APPROPRIATIONS COMMITTEE**  
**Senate Bill 371**

I am pleased to appear today on behalf of SB 371. The bill was drafted by the Department of Administration at the request of the University to address a unusual situation which has left two employees in a tenuous situation. I know this matter may seem small, it is important to these individuals. I would like to thank the Committee Chairman and the Committee for the opportunity to have today's hearing.

These two individuals are both surviving spouses of faculty at the University. Each lost their husbands in an untimely manner. Additionally, both surviving spouses have professional and research skills which have allowed them to acquire employment in the University in a grant-funded capacity.

At the time of deaths of their husbands, each woman lost her ability to obtain insurance coverage for herself as a surviving spouse since each carried insurance as an employee of the state. This leaves them in a very tenuous position vis a vis health insurance, because their employment is dependent on the continuation of grants over which they have no control.

What this all means is that if their grant funded employment ends, they will be uneligible to partipate in the State's insurance plan, beyond the coverage provided by COBRA.

In essence, the only error of these two individuals is that they sought to be University employees. The rules, as written, favor surviving spouses who never worked for the State over those surviving spouses who contribute their talents and labor to the State workforce.

SB 371 would allow for these women to participate in the state insurance plan at their own expense when their grant-funded employment ends.

I thank you for your consideration and would be glad to respond to any questions.

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Testimony To The  
HOUSE APPROPRIATIONS COMMITTEE

By Terry Bernatis, Health Benefits Administrator  
State of Kansas Health Benefits Plan

Monday, March 24, 1997  
RE: Senate Bill 371

Good morning Mr. Chairman and members of the committee. My name is Terry Bernatis, Health Benefits Administrator for the state of Kansas health benefits plan. I am speaking on behalf of Secretary of Administration, Dan Stanley, who is unable to be here today.

SB 371 provides surviving spouse benefits at some point in time in the future for the wives of two University of Kansas professors who recently died. Both of these women are employed by the University of Kansas in grant funded positions and eligible for single coverage in the state's group health insurance. Their husbands were eligible for group health insurance and both would have been eligible for continuation of group health insurance under the direct bill payment method for health insurance once they retired from the University of Kansas. Although these women are on grant funded positions, they are eligible for continuation under direct bill if they receive retirement benefits. If the husbands had lived until retirement, the husbands could have added their spouses to coverage at the time the spouses were no longer eligible for coverage in their own rights.

The issue of allowing these women to be considered surviving spouses at some time in the future was considered by the Health Care Commission on August 16, 1996. The Commission made the decision that it was not good public policy to change overall eligibility requirements due to funding and eligibility provisions for these women and true surviving spouses who are not employed by the state of Kansas.

However, Secretary Stanley supports the designation of these two women at some point in time in the future as surviving spouses. His support is based on incomplete or miscommunication to these women by the University of Kansas about their ability to be eligible for continuation based on their own employment. We have verified that this is the only case in memory by any of the Regents institutions. The University of Kansas will provide complete information to similarly situated individuals in the future.

Thank you for allowing me to appear today. I would be happy to answer any questions you have.

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**Kathleen Sebelius**  
Commissioner of Insurance  
**Kansas Insurance Department**

The Honorable Phil Kline  
Kansas House of Representatives  
300 SW 10th Ave., Rm. 514-S  
Topeka, KS 66612-1504

Re: Senate Bill 371 (State Employees Health Care Plan Coverage)

March 24, 1997

Dear Representative Kline:

I understand the House Appropriations Committee will consider S.B. 371 which directs the Kansas state employees health care plan to provide coverage as active state employees to two women who are currently working as grant employees at the University of Kansas. I would like to provide some background information to your committee regarding their situation. As you are aware, I serve as one of the five members of the State Employees Health Care Commission which administers the health care plan.

The two women are covered in their own names as grant funded employees under the state plan. Their husbands were also state employees who had single coverage for themselves at the time of their deaths. Since the women were not covered as dependents on their husbands' coverage, they were not eligible for continuation of coverage under the provisions in the health plan for surviving spouses. If they lose their grant funded positions, the two women will only be eligible for COBRA continuation for 18 months and not extended continuation coverage that is available for surviving spouses.

Last year their situation was brought to the attention of the Health Care Commission. I asked the Commission to make an exception in their cases and provide coverage as surviving spouses. Unfortunately, the Health Care Commission voted to not change the eligibility criteria. At my urging, the problem was reconsidered by the Health Care Commission at a meeting this year. The Commission decided to "study" the issue and to

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possibly make a change when the health care contract is renewed in 1998. This decision, of course, will not help the two individuals mentioned in S.B. 371.

If you have any questions regarding the issue of health insurance coverage for Janis Bulgren and Genna Ott, please feel free to contact my office.

Sincerely,

A handwritten signature in cursive script that reads "Kathleen Sebelius".

KATHLEEN SEBELIUS  
Commissioner of Insurance

cc: House Appropriations Committee