

Approved: February 18, 1999
Date

MINUTES OF THE SENATE COMMITTEE ON FEDERAL AND STATE AFFAIRS.

The meeting was called to order by Chairperson Senator Lana Oleen at 11:10 a.m. on February 8, 1999 in Room 254-E of the Capitol.

All members were present:

Committee staff present: Mary Galligan, Legislative Research Department
Russell Mills, Legislative Research Department
Theresa Kiernan, Revisors of Statutes
Judy Glasgow, Committee Secretary

Conferees appearing before the committee: Jeremy Anderson, Adm. Dir. Senator Hensley
Jean Duncan, Kansas Real Estate Association
Jacqui Oakes, Kansas Auctioneers Association

Others attending: See Attached sheet

Senator Harrington introduced Eric MacAnally and Derrick Bradstreet, students from Goddard High School, who are serving as pages for the committee today.

Chairman Oleen called for requests for introduction of bills and called on Jeremy Anderson, Administrative Director for Senator Hensley. Mr. Anderson requested introduction of two bills. The first bill would separate the Visually Impaired Blind Center located at 6th and MacVicar on the Topeka State Hospital grounds so that it would not be sold when the Topeka State Hospital grounds go up for sale.

Mr. Anderson requested introduction of a bill that is similar to one in the House concerning the residential landlords-tenant act and termination of agreements and problems that have arisen. Senator Biggs moved for introduction of the bills. Senator Jones seconded the motion. The Motion Passed.

Chairman Oleen announced that the committee would continue to work on **SB 115**. The committee had some questions concerning the bill regarding income and expenditures. Chairman Oleen recognized Jean Duncan, Director of Kansas Real Estate Commission. Ms. Duncan stated that carry-forward balances, salaries and full time employees, and breakdown of receipts were provided for the past 10 years. (Attachment 1). Ms. Duncan stood for questions concerning this information. Senator Oleen asked if there were an auctioneer on the Commission. Ms. Duncan stated that at present there was no member on the Commission that was an auctioneer. Committee members questioned how many auctioneers held real estate licenses and would be effected by this bill. Ms. Duncan stated that she did not have this information since KREC did not collect information for licensees by categories. Chairman Oleen asked if Jacque Oakes could answer this question. Ms. Oakes stated that Kansas Auctioneers Association (KAA) has 250 members. It is estimated that there are between 600 to 700 auctioneers in Kansas.

Senator Oleen requested that the Kansas Real Estate Commission furnish the committee with the names of the commissioners and their terms of office.

Senator Harrington moved to amend the bill to add a Commissioner at Large position to the Commission that would be an auctioneer. Senator Gooch second the motion. After discussion on the motion by the committee, Senator Harrington moved to withdraw her motion. Senator Gooch moved to withdraw the second.

Senator Vidricksen moved to report the bill favorably to the full Senate. Senator Jones second the motion. The motion carried.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON FEDERAL AND STATE AFFAIRS, Room 254-E
Statehouse, at 11:10 a.m. on February 8, 1999

Senator Oleen asked for committee action on approving minutes for the committee; a regular meeting on January 28, and a rail meeting on February 3. Senator Becker moved that the minutes be approved. Senator Jones seconded the motion. The motion passed.

Chairman Oleen recognized Russell Mills, Legislative Research Department, to review information on compensation of the U. S. Congress as a comparison. (Attachment 2). Three topics were included; compensation, length of sessions and other benefits.

Senator Oleen asked Senator Vratil to address the compensation proposal that he had prepared. (Attachment 3). Senator Vratil stated that he had put together a plan that takes some of the better aspects of each of the three bills and puts them into one plan. This plan included an increase of salary to \$10,000 yearly, an interim allowance for constituent services to \$1000.00 for 9 months; no change in subsistence or mileage allowance; Interim work increased to \$83.50 per day; the provision of legislators either accepting or rejecting the yearly salary option and/or the monthly constituent service allowance provided in **SB 174**, participation in KPERS under regular plan no annualized income with existing legislators grand fathered; deferred compensation available with 8% State contribution and index increases to be the same percentage of state classified employees' salary treatment.

Chairman Oleen requested that Jack Hawn address the committee concerning the annualization of KPERS as stated in **SB 174**. Mr. Hawn stated that on January 8, 2001, KPERS would not be available for legislators under **SB 174**, but they would have the opportunity to participate in the deferred compensation program and the state would contribute 8%. Records show that in 2001 if all 145 legislators are re-elected, there will be 51 who are fully vested and 94 who are not.

Russell Mills, Legislative Research Department, had prepared four different legislative compensation proposals (Attachment 4) as requested by the committee at the last meeting. Senator Jones questioned where the \$89.00 figure came from for interim meeting days. Senator Oleen stated that this figure should have been the same figure for equal treatment of state employees over a 10 year period, which would be \$83.40.

Senator Oleen ask if everyone was in consensus that it should be a yearly salary instead of a daily salary rate. Committee members discussed how an annual salary would effect the veto session and interim committee assignments and what is considered taxable income.

Senator Becker moved that interim allowance for constituent services be \$700.00 bi weekly for nine months; no expense report required; Salary from \$6485 to \$9,100 ; subsistence will continue with the federal guidelines; mileage will continue with federal guidelines; the interim would be \$83.40 per day plus substance and mileage; the opt-out by legislators provisions from **SB 174**; and indexed increases reflective of state classified employee treatment. Senator Jones seconded the motion. Senator Oleen called for discussion on the motion. Following discussion by the committee Senator Becker withdrew his motion and Senator Jones withdrew his second.

Senator Jones moved that the salary be \$12,000 a year and constituent services be \$1,000 per month for 9 months; which would be paid on a bi-weekly basis of \$450.00. Senator Becker seconded the motion. The motion passed on voice vote. Senator Biggs requested his no vote be recorded.

Senator Becker moved that the subsistence and mileage for interim work remain as applicable under federal law and regulations at \$83.40 per day and that raises be the same as for persons in the classified services under the Kansas civil service act. Senator Vratil seconded the motion. Motion passed on voice vote. Senator Biggs and Senator Harrington requested their no votes be recorded.

Other issues to be dealt with in the working bill are the effective date of the bill and the retirement issue.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON FEDERAL AND STATE AFFAIRS, Room 254-E,
Statehouse, at 11:10 a.m. on February 8, 1999

Senator Becker moved that the rate of compensation for legislators be adjusted based on the COLA and step increases for classified state employees and the effective date be the register. Senator Jones seconded the motion. Motion Carried.

Senator Bleeker moved that the retirement for future legislators for KPERS be based on the annual salary and constituent allowance and there be no annualization. Senator Vratil seconded the motion. Motion passed.

Senator Biggs moved to add the \$.02 per square mile in districts over 1,000 square miles. Senator Harrington seconded. Following discussion that raised issues about unequal treatment of legislators by district size (not recognized by other states) and conferee Shallenburger's caution against differing treatment of rural and urban legislators, the vote was taken. Motion failed.

Senator Jones moved that the bill be passed favorably to the full senate. Senator Becker seconded the motion. Motion carried. Senator Biggs requested that his no vote be recorded in the minutes.

The meeting adjourned at 2:15 p.m. The next meeting of this committee will be on February 9, 1999.

SENATE FEDERAL & STATE AFFAIRS COMMITTEE
GUEST LIST

DATE: Feb. 8, 1999

NAME	REPRESENTING
Jean Dunbar	KREC
Marty Robinson	LAS
Jacquie Dakes	KS. Auctioneers
Erik Sartorius	Johnson Co. Board of Realtors



BILL GRAVES, GOVERNOR

KANSAS REAL ESTATE COMMISSION

Three Townsite Plaza Ste 200
120 SE 6th Ave
Topeka, KS 66603-3511
(785) 296-3411
<http://www.ink.org/public/krec>



JEAN DUNCAN, DIRECTOR

TO: The Senate Federal and State Affairs Committee
FROM: Jean Duncan *Jean Duncan*
DATE: February 3, 1999
SUBJECT: Senate Bill 115

Information requested at the hearing yesterday is attached. The following comments may be helpful:

Carry-forward balances. Balances are shown in budgetary worksheet reports received from Accounts & Reports. There are sometimes discrepancies between the ending balance of a fiscal year and what is then shown as the beginning balance of the next fiscal year. This may be caused by cancellation of an encumbrance.

Salaries and FTE. The authorized number of positions is shown. Actual salary expenditures are affected by turnovers and unfilled positions. FY-2000 and FY-2001 budgets reflect filling two positions that are currently vacant. My retirement in June after 22 years with the commission will affect salary expenditures.

Breakdown of receipts based on actual FY-1998 receipts:

82.5% renewal and late renewal fees
7.4% original license fees
4.6% license transfers and certifications
2.9% application fees
1.6% course approvals

Projecting receipts and carry-over balances is an on-going process. Toward the end of FY-2000, actual expenditures and receipts through FY-1999 and most of FY-2000 will be available. Projections for FY-2001 will be revised, and the next fiscal year projected. The commission will need to determine if the cash balance is adequate. There could be a cash-flow problem. The cash balance is immediately affected by the encumbrance for office rent for the year. We will be going into an odd-numbered year with renewal receipts staggered throughout the year.

Sen. Federal & State Affairs Comm
Date: 2-8-99
Attachment: # 1-1

Senate Federal and State Affairs Committee
February 3, 1999
page two

It is entirely possible that receipts will exceed projections, and that less money will be spent than budgeted. An increase may not need to be implemented in FY-2001. I sincerely hope that you will agree that the commissioners need the ability to raise fees when they determine it is necessary.

Enc.

Kansas Real Estate Commission

	Receipts	Salaries	Total Expenditures	Carry Forward Balance	Authorized FTE	Number Licensees	Broker Fee	Salesperson Fee
Actual								
FY1989	\$480,840	\$317,114	\$489,960	\$440,406	13	16,861	\$80	\$50
FY1990	516,563	333,328	480,739	476,282	13	16,083	80	50
FY1991	445,843	324,025	463,211	433,857	14	15,189	80	50
FY1992	524,900	331,358	488,148	496,214	13.7	13,924	100	60
FY1993	478,516	355,286	495,651	479,060	13.7	13,668	100	60
FY1994	516,331	380,145	526,440	469,167	15	13,510	100	60
FY1995	466,023	368,035	519,230	415,984	15	13,662	100	60
FY1996	507,367	360,272	515,946	408,453	14	13,699	100	60
FY1997	554,391	384,279	557,432	405,894	14	13,331	125	80
FY1998	628,234	399,221	556,402	477,395	14	13,123	150	100
Budget								
FY1999	628,692	435,699	614,833	491,254	14	12,980		
FY2000	675,148	460,464	638,926	527,476	14			
FY2001	574,764	472,178	653,293	448,947	14			

Notes:

Fee Increases

FY1992 fee increase was effective 7-13-91.

FY1997 fee increase was effective 7-1-96.

FY1998 fee increase was effective 5-31-98

Number of Licensees

Because a group renews every two months, figures fluctuate considerably after each renewal date (nonrenewals, late renewals, new licensees). The number shown is the June "licensee count"; if we had no count for June, the closest available to the month of June was used.

FY1999 licensee count is as of 12-11-98.

FY1991 and FY1992 carry-forward balances

A \$25,000 loan was made to the real estate appraisal board in FY1991 and paid back in FY1992. The \$25,000 is not included in the expenditures in FY1991 or in receipts in FY1992.

KANSAS LEGISLATIVE RESEARCH DEPARTMENT

Rm. 545N-Statehouse, 300 SW 10th A
Topeka, Kansas 66612-1504
(785) 296-3181 ♦ FAX (785) 296-3824

KSLegRes@lr01.wpo.state.ks.us

<http://www.kumc.edu/kansas/ksleg/KLRD/klrd.html>

February 8, 1999

To: Senator Lana Oleen

Office No.: 136-N

From: J. Russell Mills, Principal Analyst

Re: Compensation of Members of the U.S. Congress

This is in response to your inquiry regarding the compensation and other benefits for members of the U.S. Congress. The materials summarized below were provided by the State Library, and were taken from the *World Almanac*, *National Journal*, and *Congressional Quarterly*.

Compensation. According to the *World Almanac*, the salary of members of Congress as of October 15, 1997 was \$133,600. In addition, certain leadership positions receive additional compensation: the Speaker of the House receives \$171,500; while the President Pro Tem and the Majority and Minority Leaders of both chambers receive \$148,400.

Length of Sessions. In 1997, the Senate met in session for 153 days while the House met for 132 days. In 1996, the Senate met for 132 days while the House met for 122 days. The similar numbers for 1995 are 211 days and 168 days, respectively. For this three-year time period, the average number of meeting days for both chambers was 153 days. The mathematical calculation of dividing the salary amount of \$133,600 by the average session of 153 days yields a compensation per day amount of \$873.

Other Benefits. Members of the U.S. Congress are entitled to a rather wide variety of benefits, allowances, and perquisites summarized in the *Congressional Quarterly Almanac*. A number of these benefits are listed as follows: House and Senate expense allowance; domestic and foreign travel allowance; Washington office staff allowance; district/state office allowance; telephone allowance; office allowances; publications allowances; and the franking privilege. In addition, member of Congress are entitled to another group of selected benefits which are subsidized in whole or part by the government. These benefits include life and health insurance; Capitol Hill health facilities; library and book services; legislative counsel and chaplains; tax preparation services; recreational facilities; merchandise discounts; free parking; airline ticket services; and official photographic services.

We were unable to locate any current data which attached dollar amounts to these various benefits. Enclosed with this memo is a table which summarizes the major items of members' allowances for 1980. Note that a portion of the Senate expense allowances is based on a sliding scale linked to the senator's home state's population and the distance from Washington, D.C.

I hope this information is helpful. Please contact me if you need additional research.

JRM/jl

Enclosure

#26495.01(2/8/99{10:25AM})

Sen. Federal & State Affairs Comm.

Date: 2-8-99

Attachment: # 2-1

Members' Allowances

Members of Congress have given themselves a variety of expense allowances. Today they are generally considered a necessary accessory to members' regular salary of \$60,662.50 (the level that went into effect in January 1980). They range from generous staff assistance and office space to free use of video recording facilities and sophisticated computer services. Congressional leaders receive additional remuneration. (*Box*, p. 374)

Listed below are the major allowances and, where available, the dollar value of those benefits as of 1982. No value is given to some of the allowances because of the difficulty in determining the range of reimbursed costs; this would be the case for travel and telephone usage, for example. Most of the allowances were transferable from one account to another.

	House	Senate
Washington office clerk-hire	\$352,536	\$621,054-1,247,879 ¹
Committee legislative assistants	— ³	\$192,624
General office expenses	\$47,300	\$33,000-143,000 ¹
Telephone/telegraph	15,000 long-distance minutes to district	— ³
Stationery	— ²	— ⁴
Office space	2-3 room suites provided	5-8 room suites provided
Furnishings	— ²	provided
Equipment	— ²	provided
District/state offices		
Rental	2,500 sq. ft.	4,800-8,000 sq. ft. ¹
Furnishings/equipment	\$35,000	\$22,500-30,750 ¹
Mobile office	— ²	one
Communications		
Automated correspondence	— ²	provided by Senate computer center
Audio/video recordings; photography	— ²	— ²
Travel	formula (min. \$4,950-max. \$38,500 ⁵)	— ²

1. Senators are allowed expenses based on a sliding scale linked to the state's population.
2. Expenses are covered through the general office expenses line item. In most cases supplies and equipment are charged at rates well below retail levels.
3. Provided for members of Appropriations, Budget, and Rules committees.
4. Senators pay for stationery out of their official expenses allowance and receive in addition allotments of white envelopes and letterheads, blank sheets and brown "public documents" envelopes based on the state's population.
5. Excluding Alaska, Hawaii and U.S. territories.

Source: Adapted from Davidson, Roger H., and Oleszek, Walter J. *Congress and Its Members*. Washington, D.C.: CQ Press, 1981. p. 124

traveled by a senator in going to his home state and returning to Washington. This reimbursement is automatic; it is not paid from the official office expense account, and no voucher is submitted.

The travel allowance for each senator used to be based on the cost of 40 round trips a year for states with fewer than 10 million people and 44 round trips for states with fewer than 10 million. A state's distance from Washington was figured in the computation. The travel allowance for senators no longer sets limits on the number of trips that can be taken each year. Senate regulations state that office staff must make round trips since the Senate will not pay the expenses of aides who relocate — for example, a staffer who moves to Washington after serving in a member's district office. (Although the House does not have any specific regulation governing round trips for staff, it also does not pay personnel relocation costs.)

In 1977 the Senate broadened the type of travel expenses that was reimbursable to include official travel anywhere within the United States (previous law had provided reimbursement only within a senator's home state). It also authorized per diem expenses for travel within a senator's home state. But neither the travel allowance nor the per diem allowance were permitted in the 60-day period immediately prior to a contested primary or general election in which the senator was a candidate for office. In addition, the Senate required senators to make public how they used the per diem and travel allowance funds.

A discount air fare program offered by some commercial air carriers is available to members and employees traveling on "official business only." Senators also can accept free domestic transportation from the Defense Department or company non-commercial carriers.

Stationery, Newsletters and Postage

House. A representative's funds for stationery, postage and newsletters come from his official expense account. There is no limit, within the account, on the amount he can spend on any one item. (*Current official expense account allowance*, p. 587)

Until recently, there were fixed allowances for each of these categories, but in 1977 the House Administration Committee merged them into one consolidated account.

A representative under the old system was allocated \$6,500 a year to purchase stationery and office supplies. If he did not spend it all, a member could use the remainder to pay for publications or gifts for constituents or for personal expenses provided he paid income taxes on it. Representatives also were allowed \$5,000 a year for the production of newsletters, questionnaires and any other correspondence eligible to be mailed under the frank.

Each representative's office also received a postage allowance for use on official mail that was ineligible for franking. In the 94th Congress, that annual allowance was \$1,140. Unused allowance balances could not be accumulated. The previous allowances of \$6,500 a year for stationery, \$1,140 for special postage and \$5,000 for newsletters and questionnaires were among the fixed categories used in 1977 to determine the base amount of the new consolidated account. Although the separate stationery, postage and newsletter allowances were used to determine the original base figure in 1977, there no longer are separate figures in the expense account for these items.

By 1982 the base amount of a representative's official expense account came to \$47,300. (The size of the

COMPENSATION PROPOSAL

2/5/99

1. Salary from \$6485 to \$10,000 per year.
2. Interim allowance for constituent services from \$600 a month for 9 months, to \$1000 a month for 9 months; no expense report required. (\$270 bi-weekly to \$450 bi-weekly)
3. No change in subsistence allowance.
4. No change in mileage allowance, except include Senator Vidrickson proposal regarding large districts.
5. Participation in KPERS under regular plan (no annualized income); existing legislators grandfathered; deferred compensation available.
6. Interim work: from \$72.06 per day to \$111.00 per day, plus subsistence and mileage as currently exists.
7. Senator Oleen's choice provisions.

Sen. Federal & State Affairs Comm.
Date: 2-8-99
Attachment: # 3-1

LEGISLATIVE COMPENSATION PROPOSALS

Option	Session Salary (26 Pay Periods)	Constituent Allowance (20 Pay Periods)	Interim Meetings (Per Day)	Total Individual Annual Salary and Constituent Allowance	Salaries and Constituent Allowance for 165 Legislators
Current Law	\$ 6,480	\$ 5,400	72	\$ 12,744	\$ 2,102,760
1	10,000	10,000	89	21,068	3,476,220
2	12,000	9,000	89	22,068	3,641,220
3	15,000	10,000	89	26,068	4,301,220
4	18,000	9,000	89	28,068	4,631,220

NOTES:

Interim meetings assumes 12 meetings.

Total Individual Annual Salary excludes subsistence payments.

Subsistence would remain at \$80 per day as in current law.

Salary amounts do not include fringe benefits or retirement contributions.

COMPARISON OF PROPOSED LEGISLATIVE COMPENSATION BILLS

	Current Law	S.B. 55	S.B. 101	S.B. 174
Compensation	\$72.06 per day (session and interim)	\$18,000.06 per year (replaces daily pay)	Present law	\$83.40 per day (member may decline raise until 12-31-2000)
Subsistence	\$80; adjusted under federal guidelines	Present law	Present law	Present law
Interim Allowance	\$270/20 biweekly payments	Abolished	\$382.50/20 biweekly payments plus \$0.009/20 biweekly payments per square mile in districts over 1,000 square miles	\$500.00/20 biweekly payments; expenses vouchered (member may decline raise until 12-31-2000)
KPERS	Participation optional on per diem and subsistence (annualized) and interim allowance	For new members on 1-8-2001 annual compensation, subsistence allowance (annualized) For continuing members, current law	Current law	On 1-8-2001, 8 percent deferred comp. plan replaces KPERS participation (participation voluntary)
Effective Date	N/A	1-8-2001	<i>Kansas Register</i>	<i>Kansas Register</i>