

2/22/99

MINUTES OF THE SENATE WAYS AND MEANS.

The meeting was called to order by Chairperson Dave Kerr at 11:00 a.m. on February 17, 1999 in Room 123-S of the Capitol.

All members were present except:

Committee staff present: Alan Conroy, Legislative Research Department
Debra Hollon, Legislative Research Department
Rae Anne Davis, Legislative Research Department
Norman Furse, Revisor of Statutes
Michael Corrigan, Revisor of Statutes
Judy Bromich, Administrative Assistant
Ann Deitcher, Committee Secretary

ok

Conferees appearing before the committee: Senator Karin Brownlee

Others attending: See attached list.

rs 1062 **An act concerning the University of Kansas hospital authority; relating to employee benefit plans; concerning retirement annuities.**

The Chairman explained rs 1062.

It was moved by Senator Salisbury and seconded by Senator Jordan to introduce rs 1062. The motion was carried on a voice vote.

SB 170 **An act concerning certain claims against the state.**

Senator Karin Brownlee appeared before the Committee and led them through **SB 170**. (Attachment 1).

Section 3: Senator Brownlee explained that the claim was accrued for the Kansas Racing Commission to pay the fees. A horse owned by Mr. Kelly Clark won a race. Mr. Clark was then charged with a violation of the racing law for the use of an illegal substance. The case was pursued by attorneys for the Commission but subsequent testing failed to find absolute proof of any illegal substance.

Jerry Hathaway, Attorney for the Kansas Racing and Gaming Commission, said the Commission did not agree with the payment amount of \$32,003.75 but thought the sum of \$21,234 more appropriate. This would be paid from the State Racing Fund.

The Chairman called for a motion to amend the bill. There was no motion.

Section 6: The claim is made by Bogina, Hawley & Urkevich, Consulting Engineers, that they had not been paid appropriately for the work they had contracted to do in 1993. Instead, a sum was paid to another company not affiliated with theirs.

Senator Ranson asked if there was a statute of limitations on such a claim. The answer was no.

Section 7C: Chairman Kerr called the Committee's attention to the letters on their desks from Karla Pierce, Secretary of the Department of Revenue. (Attachment 2).

The Chair questioned the appropriateness of rewarding employees for collecting more taxes. He pointed out that on the federal level it was resolved that they could not do that.

Senator Brownlee said that at the time the "suggestor" (i.e. the "claimant") took over the assignment, bank privilege taxes had never before been collected.. This was however, part of his job.

It was moved by Senator Lawrence and seconded by Senator Jordan that Section 7, concerning the payment of \$5,000 be deleted. A voice vote was called for but was inconclusive. The Chairman then asked for a show of hands. The motion carried.

10A: In regard to the denial of eligibility under the mental retardation/developmental disabilities program, Senator Brownlee said that the Committee felt the initial denial of services by the SRS was wrong. Compounding this was the failure of the agency to notify the family that the services had been denied them.

Chairman Kerr wanted it made clear that the Committee was approving the payment of the \$6,156.18 because of one factor and that was the failure on the part of the SRS to notify the perspective client of their removal from the waiting list when they were found ineligible for services. The approval of the Committee was not because the State believes they have any liability for such a cost while someone is on a waiting list.

10C: Senator Brownlee spoke to the Committee of Roger and Emily LaBarge of Marysville, Ks and their claim for reimbursement of \$42,600.00 for attorney fees and other related expenses incurred in a child in need of care action.

John Garlinger of SRS said that the Agency had entered the case on December 28, 1995 when they received a report of alleged physical abuse and neglect of the LaBarge's 16 month old twins. Asked if it was common practice to charge families for foster care for a child removed from the home, Mr. Garlinger said yes, it was part of their recovery procedure.

At this time the Chairman suggested that the Committee move on to the next section and return later to section 10C.

It was moved by Senator Salmans and seconded by Senator Morris that a technical correction be made to Section 7B, line 22, to correct the spelling of the claimant's name. The motion to amend passed on a voice vote.

The Committee agreed with the Chairman to hold **SB 170** open for one day. It will be taken up and finalized at the next meeting on Thursday, February 18.

The meeting was adjourned at 12:30 p.m. The next meeting is scheduled for Thursday, February 18.

1	Stallbaumer, Dennis, R1 Box 91, Seneca, KS 66538.....	\$21.00
2	Steinlage, Dale F., RR 1 Box 83A, Coming, KS 66417.....	\$75.00
3	Stryker, Billy J., 561 Apache Lane, Waterville, KS 66548.....	\$35.76
4	Subterranean Inc., PO Box 337, Leon, KS 67074.....	\$39.90
5	Suther, Kenneth L., 10295 Bluff Creek Rd, Blaine, KS 66549.....	\$89.94
6	Teichgraeber Oil Inc., PO Box 471, El Dorado, KS 67042.....	\$351.41
7	Thiel, Earl G., 20710 S Bone Springs, Arlington, KS 67514.....	\$90.84
8	Thornton Cattle Co., RR 1 PO Box 115, Copeland, KS 67837.....	\$307.31
9	Timm Backhoe Partnership, 530 State, El Dorado, KS 67042.....	\$154.06
10	Umscheid, Donald E., 8905 Rockenham Rd, St George, KS 66535.....	\$34.86
11	USD 222, Washington, 115 North D Street, Washington, KS 66968.....	\$20.28
12	USD 231, PO Box 97, Gardner, KS 66030.....	\$8,810.91
13	USD 240-Twin Valley, PO Box 38, Bennington, KS 67422.....	\$282.69
14	USD 248, 401-415 N Summit, Girard, KS 66743.....	\$1,322.50
15	USD 351, 433 N Gilmore PO Box 487, Macksville, KS 67557.....	\$1,908.58
16	USD 468-Healy, 5006 N Dodge Road, Healy, KS 67850.....	\$499.45
17	USD 493, PO Box 21, Columbus, KS 66725.....	\$193.68
18	Valley Landscape, 9411 W 73 rd , Valley Center, KS 67147.....	\$19.02
19	Vestal, Floyd, RR 1 Box 27, Longton, KS 67352.....	\$5.80
20	Vitt, Kenneth, 2075 Lynx Rd NW, Lebo, KS 66856.....	\$237.82
21	Voth, Otto, Rt 2 Box 80, Newton, KS 67114.....	\$44.40
22	Wagoner, Robert, 624 N Washington, Wellington, KS 67152.....	\$1,211.40
23	Warren, Ray G., 317 N Buckner, Derby, KS 67037.....	\$133.14
24	Wichita Country Club, PO Box 8105 Munger Station, Wichita, KS	
25	67208.....	\$703.89
26	Wiens, Walter, 438 10th Ave, Inman, KS 67546.....	\$30.00
27	Wildcat Concrete Service, PO Box 750075, Topeka, KS 66675.....	\$260.37
28	Wilhelm, Dennis, RR 1 Box 91, Rush Center, KS 67575.....	\$160.54
29	Woodward, Delvin K., 666 Navajo Rd, Wakefield, KS 67487.....	\$18.48
30	Wulf, Eldor W., 33424 W 15th St S, Garden Plain, KS 67050.....	\$26.40
31	Zepp, Howard Dean, 2035 NE 82 nd , Meriden, KS 66512.....	\$190.67
32	Zimbelman, Rell D., Route 2 Box 44, St Francis, KS 67756.....	\$213.19

OK

33 Sec 3. The Kansas racing and gaming commission is hereby author-
 34 ized and directed to pay the following amount from the state racing fund
 35 for reimbursement for legal fees and expenses incurred as a result of an
 36 alleged violation of racing law matter to the following claimant:

37 Kelly Clark, P.O. Box 135, Cimarron, KS 67835 c/o Curtis Campbell,
 38 Attorney at Law, P.O. Box 466, Cimarron, KS 67835 \$32,003.75

39 Sec. 4. The board of optometry examiners is hereby authorized and
 40 directed to pay the following amounts from the optometry fee fund for
 41 reimbursement for official travel expenses, invoices which were not pre-
 42 sented in the proper fiscal year, to the following claimant:

43

1 Dr. Larry D. Stoppel, O.D. 318 C Street, Box 155, Washington, KS
 2 77968 \$1,196.88
 3 \$866.95

4 Sec. 5. The Kansas animal health department is hereby authorized
 5 and directed to pay the following amount from the animal dealer fee fund
 6 as a refund of animal licensing fees to the following claimant:

7 Beverly M. Gilbert, 10978 SW Tawakoni Road, Augusta, KS 67010..... \$75.00

8 Sec. 6. The Kansas department of health and environment is hereby
 9 authorized and directed to pay the following amount from the abandoned
 10 mined-land fund for engineering services rendered by the following
 11 claimant:

12 Bogina, Hawley & Urkevich, Consulting Engineers, 12510 W. 62nd Ter-
 13 race, Suite 109, Shawnee, KS 66216..... \$4,515.00

14 Sec. 7. (a) The department of administration is hereby authorized
 15 and directed to pay the following amount from the state leave payment
 16 reserve fund for accrued vacation leave separation pay to the following
 17 claimant:

18 David DePue, 5708 SW 13th, Topeka, KS 66604..... \$4,717.21

19 (b) The department of administration is hereby authorized and directed
 20 to pay the following amount from the canceled warrants payment fund
 21 for payment of an expired warrant to the following claimant:

22 Michael E. Caito, 4512 SE Oakbend Dr., Berryton, KS 66409 \$100.00

23 (c) The department of administration is hereby authorized and directed
 24 to pay the following amount from the general administration account of
 25 the state general fund for an employee suggestion award program cash
 26 award to the following claimant:

27 Thomas P. Browne, Jr., 3730 SE 27th Terrace, Topeka, KS 66605, c/o
 28 Carol Bonebrake, Attorney at Law, 1100 Nations Bank Tower, 534
 29 Kansas Avenue, Topeka, KS 66603 \$5,000.00

30 Sec. 8. The university of Kansas medical center is hereby authorized
 31 and directed to pay the following amount from the parking fees fund for
 32 reimbursement for costs incurred to repair property damage to claimant's
 33 car which was parked at the university of Kansas medical center -
 34 Wichita's parking lot, to the following claimant:

35 Debbie A. Bennet, P.O. Box 372, Colwich, KS 67030..... \$100.00

36 Sec. 9. The Kansas department of agriculture is hereby authorized
 37 and directed to pay the following amount from the water appropriation
 38 certification fund for reimbursement for damage to claimant's real prop-
 39 erty to the following claimant:

40 James V. Doran, Box 335, St. John, KS 67576 \$206.00

41 Sec. 10. (a) The department of social and rehabilitation services is
 42 hereby authorized and directed to pay the following amount from the
 43 mental health and retardation services and state institutions operations

OK

OK

Law
Larry Jordan
Delete
OK

tech
amend

OK

1 account of the state general fund for reimbursement of out-of-pocket
 2 expenses for psychiatric and other health care services incurred while
 3 claimant appealed denial of eligibility under the mental retardation/de-
 4 velopmental disabilities program, to the following claimant:
 5 K. Renee Karr, 2412 Brookside Dr., Lawrence, KS 66047 \$6,156.18

OK

6 (b) The department of social and rehabilitation services is hereby au-
 7 thorized and directed to pay the following amount from the state oper-
 8 ations account of the state general fund for payment of electric services
 9 rendered, the invoice for which was not presented in the proper fiscal
 10 year, to the following claimant:
 11 Western Resources, Inc., 818 S. Kansas Ave., Topeka, KS 66612 \$15,457.93

Hold

12 (c) The department of social and rehabilitation services is hereby au-
 13 thorized and directed to pay the following amount from the youth services
 14 aid and assistance account of the state general fund as reimbursement
 15 for attorney fees and other related expenses incurred in a child in need
 16 of care action, to the following claimant:
 17 Roger and Emily LaBarge, 201 N. 6th, Marysville, KS 66508 \$42,600.00

OK

18 Sec. 11. (a) The department of human resources is hereby author-
 19 ized and directed to pay the following amount from the employment
 20 security fund for payment of an expired warrant to the following claimant:
 21 Sears Roebuck and Co., 4849 Greenville Ave., Suite 1000, Dallas, TX
 22 75206 \$277,022.97

OK

23 Sec. 12. (a) The department of corrections is hereby authorized and
 24 directed to pay the following amount from the amount allocated for Lan-
 25 sington correctional facility within the facilities operations account of the
 26 state general fund for reimbursement of personal property stolen by es-
 27 caped inmates in the care, custody and control of the personnel at the
 28 Lansing correctional facility, to the following claimant:
 29 Rex D. Santee, 230 S. Ash, Pretty Prairie, KS 67570 \$4,500.00

OK

30 (b) The department of corrections is hereby authorized and directed
 31 to pay the following amount from the amount allocated for Lansing cor-
 32 rectional facility within the facilities operations account of the state gen-
 33 eral fund for loss or damage to the claimant's personal property while in
 34 the care, custody and control of the personnel at the Lansing correctional
 35 facility to the following claimant:
 36 Floyd D. Sanders, #7119 PO Box 1568, Hutchinson, KS 67504-1568 \$35.00

OK

37 Sec. 13. The department of revenue is hereby authorized and di-
 38 rected to pay the following amounts from the sales tax refund fund for
 39 sales tax paid for materials and services incorporated in a tax-exempt
 40 project, to the following claimants:

41 City of Topeka, Department of Parks and Recreation, 215 SE 7th, Room
 42 259, Topeka, KS 66603 \$1,397.47
 43 Class, Ltd., 1200 Merle Evans Dr., PO Box 266, Columbus, KS 66725.. \$5,883.35



Office of the Secretary
Kansas Department of Revenue
915 SW Harrison St.
Topeka, KS 66612-1588

(785) 296-3041
FAX (785) 296-7928
Hearing Impaired TTY (785) 296-3909
Internet Address: www.ink.org/public/kdor

Office of the Secretary

February 15, 1999

Senator David Kerr
120S
Capital Building
Topeka, Kansas 66612

Re: Appropriation Sec. 7 (c) of Senate Bill 170a

Dear Senator Kerr:

I strongly oppose the appropriation set forth at Sec. 7 (c) of Senate Bill 170a, which will be considered by the Ways and Means Committee on February 17, 1999. This appropriation, recommended by the Joint Committee on Special Claims for payment, provides for a \$5,000 cash award to Thomas P. Browne, Jr., an employee of the Department of Revenue, for a "suggestion" Mr. Browne submitted to the Employee Suggestion Award Program in 1994.

The Department wholeheartedly supports the Employee Suggestion Award Program, which has saved taxpayers significant dollars through awards to innovative State employees. However, we also believe that in this instance, making a cash award to Mr. Browne goes against the purpose of this Program. In addition, this cash award will violate the spirit, if not the letter, of the Taxpayer Bill of Rights, K.S.A. 79-3268 (c), which makes it "unlawful to base a performance evaluation for any [Department employee] on . . . the total amount of assessments issued by such employee or on the total amount or percentage of taxes collected from a taxpayer through settlements or other means made by such employee prior to final judgment."

Mr. Browne's "suggestion" was based on discrepancies he noticed in 1988 while auditing certain privilege tax returns during his temporary assignment as a privilege tax auditor. This resulted in the assessment and collection of additional taxes from certain taxpayers. Mr. Browne did what an auditor is supposed to do as part of his job. Both my predecessor, John LaFaver, and I opposed this award and concluded that Mr. Browne's "suggestion" was part of his assigned job duties.

The definition of an "acceptable suggestion" in K.A.R. 18-2-2 does not include the assessment and collection of additional taxes from taxpayers after audits. K.A.R. 18-2-3 (4) provides that "suggestions which are developed as part of the duties of an employee's position" shall not be accepted for consideration.

Senate Ways and Means Committee

Date 2/17/99

Attachment # 2-1

To make a cash award to a tax auditor for actions resulting in the assessment of additional taxes creates an unhealthy precedent. For all of the above reasons, I respectfully request that this appropriation not be funded.

Thank you for your consideration.

Very truly yours,



Karla Pierce
Secretary of Revenue

FY 1999 – FY 2001 FRINGE BENEFITS
November 10, 1998

	FY 1999	FY 2000	FY 2001
KPERS REGULAR AND SCHOOL	3.99%	4.19%	4.59%
FICA (COMPOSITE – 6.2% OASDI and 1.45% Medicare)	7.65	7.65	7.65
WORKERS' COMPENSATION	1.00	1.00	1.00
UNEMPLOYMENT INSURANCE	0.3	0.2	0.3
STATE LEAVE PAYMENT ASSESSMENT	0.35	0.34	0.34
TOTAL	13.29%	13.38%	13.88%

Health Insurance			
	FY 1999	FY 2000	FY 2001
Single Member:			
Full-Time	\$2,342.60	\$2,287.74	\$2,319.46
Part-Time	1,915.94	1,755.00	1,776.84
Dependent Health:			
Full-Time	1,209.26	1,008.54	941.98
Part-Time (min. 1,000 hours)	1,017.12	764.14	713.70

Maximum Salary for OASDI			
	FY 1999	FY 2000	FY 2001
Paychecks Issued July 1 - December 31	\$68,400	\$71,400	\$73,800
Paychecks Issued January 1 - June 30	\$71,400	\$73,800	\$76,200

Other KPERS Groups		
	FY 1999	FY 2000
KPERS Insured Benefit Only – New Employees	0.6%	0.6%
Revised Fringe Total	9.90%	9.79%
KBI	10.6%	8.5%
Revised Fringe Total	13.70% (No OASDI, but includes 1.45% Medicare)	11.49% (No OASDI, but includes 1.45% Medicare)
Highway Patrol	11.7%	9.8%
Revised Fringe Total	14.80% (No OASDI, but includes 1.45% Medicare)	12.79% (No OASDI, but includes 1.45% Medicare)
Judges Retirement	15.67%	14.38%
Revised Fringe Total	24.97% (Includes both OASDI and Medicare)	23.57% (Includes both OASDI and Medicare)
Security Officers – Group A – Age 55	5.07%	6.28%
Revised Fringe Total	14.37% (Includes both OASDI and Medicare)	15.47% (Includes both OASDI and Medicare)
Security Officers – Group B – Age 60	4.58%	5.82%
Revised Fringe Total	13.88% (Includes both OASDI and Medicare)	15.01% (Includes both OASDI and Medicare)
Regents Law Enforcement	9.5%	7.4%
Revised Fringe Total	18.80% (Includes both OASDI and Medicare)	16.59% (Includes both OASDI and Medicare)
Deferred Compensation (Composite Rate)	8.6%	8.6%
Revised Fringe Total	17.90% (Includes both OASDI and Medicare)	17.79% (Includes both OASDI and Medicare)
TIAA Members (Current Service)	8.5%	8.5%
Revised Fringe Total	17.80% (Includes both OASDI and Medicare)	17.69% (Includes both OASDI and Medicare)

24