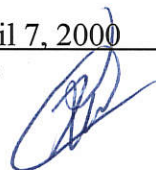


Approved: April 7, 2000

Date



MINUTES OF THE HOUSE KANSAS 2000 COMMITTEE.

The meeting was called to order by Chairperson Kenny Wilk at 1:45 p.m. on March 16, 2000 in Room 526-S of the Capitol.

All members were present except: Representative Tim Carmody - excused  
Representative Susan Wagle - excused

Committee staff present: Julian Efird, Legislative Research Department  
Jim Wilson, Revisor of Statutes  
Janet Mosser, Committee Secretary

Conferees appearing before the committee:

Others attending: See attached list.

Chairperson Wilk resumed discussion on the motion by Representative Sloan to report the substitute for **SB 40** favorable for passage. Representative Sloan moved the motion. The Chair ruled that it appeared the motion carried. Division was requested. A show of hands indicated seven in favor and six against. A second show of hands was requested and indicated seven in favor and seven against. The Chair voted in favor of the motion to break the tie. The motion carried with a vote of eight to seven.

Chairperson Wilk directed the committee's attention to **SB 138 - State employees; disciplinary actions**. Representative Kirk provided the committee with a summary of the contents of **HB 3018 (Attachment 1)**. Representative Kirk moved to amend **SB 138** by including the provisions of **HB 3018**. The motion was seconded by Representative Horst. Discussion followed. Representative Kirk withdrew the motion. The second was withdrawn by Representative Horst.

Representative Kirk moved to amend **SB 138** by substituting a new bill to include **SB 138** and adding language in **HB 3018** with the adjustment of including correctional officers in severance pay provisions which were omitted from **HB 3018** in error. The motion was seconded by Representative Horst. Discussion followed. Representative Gregory suggested that an ongoing lay off policy be developed at some time in the future. The motion carried.

Representative Barnes moved to further amend **SB 138** by including the provisions of **HB 2839**. The motion was seconded by Representative Gatewood. Discussion followed. Julian Efird, Legislative Research Department, reviewed the contents of **HB 2839**. Jack Hawn, Deputy Executive Secretary, Kansas Public Employees Retirement System (KPERs), was recognized and assisted in answering questions. The motion carried.

Representative Kirk made a conceptional motion to further amend **SB 138** by including provisions of **HB 3029** in the substitute bill with additional language concerning federal income tax compliance as recommended by Jack Hawn, Deputy Executive Secretary, KPERs. The motion was seconded by Representative Horst. Discussion followed. The motion carried.

Chairperson Wilk wanted to also extract the portion of **HB 2808** dealing with the death benefit given to a 501(c)(3) entity and amend that into **SB 138**. Discussion followed on the need for more precise language. It was decided to hold up on this proposal.

Representative Alldritt moved to further amend **SB 138** by increasing the death benefit from \$4,000 to \$6,000. The motion was seconded by Representative Sharp. Discussion followed. Jack Hawn, Deputy Executive Secretary, KPERs, was recognized and assisted in answering questions. The Chair ruled that it appeared the motion failed. Division was requested. A show of hands indicated six in favor and seven against. The motion failed.

Chairperson Wilk provided a handout on retirement for corrections KPERs employees (Attachment 2). Chairperson Wilk moved to further amend **SB 138** by including language so all Group A and Group B employees can retire under the 85-point rule. Julian Efird, Legislative Research Department, briefed the committee on the history of the issue. The motion was seconded by Representative Sharp. Discussion

CONTINUATION SHEET

followed. The motion carried.

Representative Kirk moved to report House substitute for SB 138 as amended favorable for passage. The motion was seconded by Representative Horst. The motion carried.

Chairperson Wilk adjourned the meeting at 2:45 p.m.

The next meeting is scheduled for March 20, 2000.



*Call about this*

Memorandum

*30/8*

**TO:** Representative Nancy Kirk  
**FROM:** Jim Wilson, First Assistant Revisor  
**DATE:** March 3, 2000  
**SUBJECT:** House Bill – Closure of Kansas Industries for the Blind and Transfer of Reception and Diagnostic Unit from Topeka Correctional Facility

This bill prescribes procedures and provides benefits to address the needs of state officers and employees who are laid off or transferred from employment at the Kansas Industries for the Blind (KIB), located in facilities on the grounds of the former Topeka State Hospital, and who are terminated or laid off from such employment due to the closure of KIB at such location or who are laid off or transferred from employment with the Department of Corrections at the Topeka Correctional Facility and who are laid off or transferred due to the transfer of the Reception and Diagnostic Unit from Topeka Correctional Facility to the El Dorado Correctional Facility.

In addition, section 1 of the bill provides in for the disposition of the assets of KIB, including equipment, material and accounts receivable, through establishment of the KIB contingency fund in the state treasury. These provisions provide for a grant program administered by the Division of Services to the Blind of the Department of Social and Rehabilitation Services to provide for the establishment of a facility providing industrial employment for persons who are blind.

The bill amends the statutes enacted in 1996, K.S.A. 75-4370 through 75-4377, which were enacted in response to the recommendations of the closure of the Topeka State Hospital and Winfield State Hospital and Training Center. These statutes provide benefits and exemptions for employees laid off as a result of such closures. The amendments generally provide the same or similar benefits for state officers and employees who are laid off due the closure of KIB or the transfer of the Reception and Diagnostic Unit.

The benefits for all such employees, except as noted, include: (1) Compensation for 20% of accumulated sick leave; (2) state health care program participation as though the employee were still employed by the state; (3) an extended death benefit plan providing term life insurance; (4) in-state moving expense reimbursement if employed by the state at another location; and (5) in the case of employees of KIB who are laid off, compensation in 40 to 160 hours of pay, depending on length of service.

The final provision amends the ethics statute, K.S.A. 1999 Supp 46-233, that was also amended as part of the 1996 enactment, to expand the exemption from the prohibition on certain contracts to state officers and employees who are laid off due the closure of KIB or the transfer of the Reception and Diagnostic Unit.



DRAFT 3/14/00b

Memorandum Regarding Retirement for Corrections KPERS

A disparity exists between noncorrections KPERS state employees who may retire with full benefits when the sum of their age and years of service equal 85 and Corrections KPERS employees whose retirement eligibility is governed by age. While the retirement eligibility provisions of current law for Corrections KPERS employees recognizes the physical demands placed upon law enforcement personnel by permitting retirement with full benefits at age 55 for Corrections Group A employees and age 60 for Corrections Group B employees, current law does not give credit for the length of the employee's service that is applicable to noncorrections KPERS employees through the 85-point rule.

For example, a noncorrections KPERS employee age 54 with 31 years of service may retire with full benefits. In contrast, Corrections KPERS Group A and Group B employees of the same age and with the same number of years of service are ineligible for retirement with full benefits.

The minimum age for employment as a corrections officer for the Department is 21. Corrections Group A officers who begin their career with the Department at age 21, 22, or 23 are nonetheless ineligible to retire with full benefits at age 54 even though their age and length of service equals or exceeds 85-points. The inequity of the inapplicability of the 85-point rule is even greater for KPERS Corrections Group B employees who cannot retire with full benefits until reaching age 60. For those employees, if they started their career with the Department at age 21, by the time they attain age 59 they would have achieved a combination of their years of service and age totaling 97 points.

The Division of the Budget prepared a revised fiscal note for SB 275 on March 8, 1999. SB 275 only addressed the disparity for Group A Corrections KPERS, however, the fiscal note provided an estimate for applying the 85-point rule to both Group A and Group B Corrections KPERS employees. The Division of the Budget's estimate is a year old and does not reflect any budget changes relative to salary recommendations or employers' contributions. A copy of the 1999 fiscal note is attached. The 1999 fiscal note projected an increased actuarial liability for the KPERS fund in the amount of \$500,000 with an increased FY 2000 expenditure of \$71,041. The impact on local governments was unknown.

2.2

**74-4914c.** Same; normal and early retirement dates; early retirement benefit reduction. (1) Notwithstanding the provisions of K.S.A. 74-4914, 74-4915 and subsection (23) of K.S.A. 74-4902, and amendments thereto, the normal retirement date for all security officers, as defined by paragraph (a) or (b) of subsection (1) of K.S.A. 74-4914a and amendments thereto, with at least three consecutive years of service as such security officer immediately preceding the date of retirement, shall be the first day of the month coinciding with or following the attainment of age 55 and any such security officer may retire before such normal retirement date on the first day of any month coinciding with or following the attainment of age 50 or completion of 10 years of credited service, whichever occurs later.

(c) Except as otherwise provided in paragraph (b) of this subsection (2), any security officer, as defined by paragraph (a) or (b) of subsection (1) of K.S.A. 74-4914a and amendments thereto, who retires before the normal retirement date shall receive an annual retirement benefit payable had such security officer retired on the normal retirement date but based upon such security officer's final average salary and years of participating and prior service credited to the date of actual retirement reduced by an amount equal to the product of (i) such annual retirement benefit payable had such security officer retired on the normal retirement date, multiplied by (ii) the product of .6% multiplied by the number of months difference, to the nearest whole month, between such security officer's attained age at the time of retirement and age 55.

(b) Any security officer, as defined by paragraph (a) or (b) of subsection (1) of K.S.A. 74-4914a and amendments thereto, who retires on or after July 1, 1982, and prior to July 1, 1987, before the normal retirement date shall receive an annual retirement benefit equal to the annual retirement benefit payable had such security officer retired on the normal retirement date but based upon such security officer's final average salary and years of participating and prior service credited to the date of actual retirement reduced by an amount equal to the

product of (i) such annual retirement benefit payable had such security officer retired on the normal retirement date, multiplied by (ii) the product of .3% multiplied by the number of months difference, to the nearest whole month, between such security officer's attained age at the time of retirement and age 55.

(c) Any security officer, as defined by paragraph (a) or (b) of subsection (1) of K.S.A. 74-4914a and amendments thereto, who retires on or after July 1, 1990, before the normal retirement date shall receive an annual retirement benefit equal to the annual retirement benefit payable had such security officer retired on the normal retirement date but based upon such security officer's final average salary and years of participating and prior service credited to the date of actual retirement reduced by an amount equal to the product of (i) such annual retirement benefit payable had such security officer retired on the normal retirement date, multiplied by (ii) the product of .2% multiplied by the number of months difference, to the nearest whole month, between such security officer's attained age at the time of retirement and age 55.

(3) Notwithstanding the provisions of K.S.A. 74-4914, 74-4915 and subsection (23) of K.S.A. 74-4902, the normal retirement date for all security officers, as defined by paragraph (c), (d), (e) or (f) of subsection (1) of K.S.A. 74-4914a and amendments thereto, with at least three consecutive years of service as such security officer immediately preceding the date of retirement, shall be the first day of the month coinciding with or following the attainment of age 60 and any such security officer may retire before such normal retirement date on the first day of any month coinciding with or following the attainment of age 55 or completion of 10 years of credited service, whichever occurs later.

(4) (a) Except as otherwise provided in paragraph (b) of this subsection (4), any security officer, as defined by paragraph (c), (d), (e) or (f) of subsection (1) of K.S.A. 74-4914a and amendments thereto, who retires before the normal retirement date shall receive an annual retirement benefit equal to the annual retirement benefit payable had such security officer retired on the normal retirement date but based upon such security officer's final average salary and years of participating and prior service credited to the date of actual retirement reduced by an amount equal to the product of

, and commencing July 1, 2000, the first day of the month coinciding with or following the date that the total of the number of years of credited service and the number of years of attained age of the security officer is equal to or more than 85.

, and commencing July 1, 2000, the first day of the month coinciding with or following the date that the total of the number of years of credited service and the number of years of attained age of the security officer is equal to or more than 85.

(i) such annual retirement benefit payable had such security officer retired on the normal retirement date, multiplied by (ii) the product of .3% multiplied by the number of months difference, to the nearest whole month, between such security officer's attained age at the time of retirement and age 60.

(b) Any security officer, as defined by paragraph (c), (d), (e) or (f) of subsection (1) of K.S.A. 74-4914a and amendments thereto, who retires on or after July 1, 1982, and prior to July 1, 1987, before the normal retirement date shall receive an annual retirement benefit equal to the annual retirement benefit payable had such security officer retired on the normal retirement date but based upon such security officer's final average salary and years of participating and prior service credited to the date of actual retirement reduced by an amount equal to the product of (i) such annual retirement benefit payable had such security officer retired on the normal retirement date, multiplied by (ii) the product of .3% multiplied by the number of months difference, to the nearest whole month, between such security officer's attained age at the time of retirement and age 60.

(c) Any security officer, as defined by paragraph (c), (d), (e) or (f) of subsection (1) of K.S.A. 74-4914a and amendments thereto, who retires on or after July 1, 1990, before the normal retirement date shall receive an annual retirement benefit equal to the annual retirement benefit payable had such security officer retired on the normal retirement date but based upon such security officer's final average salary and years of participating and prior service credited to the date of actual retirement reduced by an amount equal to the product of (i) such annual retirement benefit payable had such security officer retired on the normal retirement date, multiplied by (ii) the product of .2% multiplied by the number of months difference, to the nearest whole month, between such security officer's attained age at the time of retirement and age 60.

**History:** L. 1976, ch. 356, § 3; L. 1979, ch. 247, § 3; L. 1982, ch. 319, § 19; L. 1990, ch. 282, § 6; July 1.

Facility	Group A Contributions FY 2000	Group B Contributions FY 2000	Total Contributions FY 2000
Lansing Correctional Facility	\$1,083,600	\$94,255	\$1,177,855
Hutchinson Correctional Facility	792,819	73,091	865,910
El Dorado Correctional Facility	549,023	96,303	645,326
Topeka Correctional Facility	428,684	40,008	468,692
Norton Correctional Facility	387,257	35,935	423,192
Ellsworth Correctional Facility	283,649	20,034	283,683
Winfield Correctional Facility	287,772	30,898	318,670
Lamed Correctional Mental Health Facility	257,203	14,806	272,009
Department of Corrections	0	85,523	85,523
<b>TOTAL</b>	<b>\$4,050,007</b>	<b>\$490,853</b>	<b>\$4,540,860</b> ✓

Covered Payroll - Facilities (\$4,050,007/.0628)	\$64,490,557	—	
Covered Payroll - Facilities (\$490,853/.0582)	—	\$8,433,900	
Additional Contributions - Facilities (\$64,500,000x.0086)	\$554,700 ✓	—	
Additional Contributions - Facilities (\$8434000x.0057)	—	\$48,074 ✓	

Facility	Group A Positions FY 2000	Group B Positions FY 2000	Total Positions FY 2000
Lansing Correctional Facility	570	48	618
Hutchinson Correctional Facility	397	34	431
El Dorado Correctional Facility	303	47	350
Topeka Correctional Facility	224	24	248
Norton Correctional Facility	210	18	228
Ellsworth Correctional Facility	136	10	146
Winfield Correctional Facility	155	19	174
Lamed Correctional Mental Health Facility	139	9	148
Department of Corrections	0	45	45
<b>TOTAL</b>	<b>2,134</b>	<b>254</b>	<b>2,388</b>





*Don  
Cawby*

## DIVISION OF THE BUDGET

Room 152-E

State Capitol Building

Topeka, Kansas 66612-1575

(785) 296-2436

FAX (785) 296-0231

Bill Graves  
Governor

Duane A. Goossen  
Director

March 8, 1999

REVISED

The Honorable Dave Kerr, Chairperson  
Senate Committee on Ways & Means  
Statehouse, Room 120-S  
Topeka, Kansas 66612

Dear Senator Kerr:

SUBJECT: Revised Fiscal Note for SB 275 by Senator Lee

In accordance with KSA 75-3715a, the following revised fiscal note concerning SB 275 is respectfully submitted to your committee.

SB 275 would allow KPERS correctional members to retire with unreduced benefits when their age and service combined equal 85 points. Under current law, certain correctional employees can retire with unreduced benefits at age 55, while others can retire with reduced benefits at age 60.

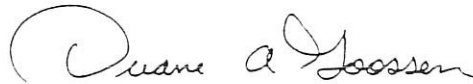
Estimated State Fiscal Impact				
	FY 1999	FY 1999	FY 2000	FY 2000
	SGF	All Funds	SGF	All Funds
Revenue	--	--	--	--
Expenditure	--	--	\$71,041	\$71,041
FTE Pos.	--	--	--	--

There are currently two groups of correctional officers covered under the KPERS system. Group A security officers are those who can retire at age 55 without reduced benefits and Group B can retire at age 60 with reduced benefits. KPERS estimates that SB 275 would increase the actuarial liability for the KPERS Fund by \$500,000. Employer contribution rates would also have to be increased in FY 2000 by 0.05 percent for Group A and 0.46 percent for Group B. Applying these new employer contribution rate increases to the salary recommendations

contained in *The FY 2000 Governor's Budget Report*, would require an additional \$71,041 to be added to the correctional system from the State General Fund.

Because communities also participate in the KPERS system for security officers, the employer contribution rate increases would also increase their payroll costs. The amount of the impact on local governments is unknown.

Sincerely,



Duane A. Goossen  
Director of the Budget

cc: Jack Hawn, KPERS  
Jan Johnson, Department of Corrections