

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chairman Kenny Wilk at 9:00 a.m. on January 23, 2001 in Room 514-S of the Capitol.

All members were present except: Representative Spangler

Committee staff present: Alan Conroy, Legislative Research
Rae Anne Davis, Legislative Research
Jim Wilson, Revisor of Statutes
Mike Corrigan, Revisor of Statutes
Nikki Feuerborn, Committee Secretary

Conferees appearing before the committee: Honorable Kay McFarland, Chief Justice, Kansas Supreme Court
Honorable Judge John White, Chief Judge of the 31st Judicial District, Iola
Jerry Sloan, Office of Judicial Administration
Kathy Porter, Office of Judicial Administration
Secretary Richards, Department of Revenue

Others attending: See Attached

Copies of a follow-up letter from Bobbi Mariani, Director of the Division of Personnel Services, regarding her presentation to the Committee on January 10, 2001, were distributed (Attachment 1).

The Honorable Kay McFarland, Chief Justice of the Kansas Supreme Court, appeared before the Committee, and urged them to enact legislation that would enable the court to submit its budget requests directly to the Legislature, bypassing the state budget director (Attachment 2). She said the unified court system will have a budget shortfall of about \$1 million this fiscal year and that the Director of the Budget, Duane Goossen, cut the agency's budget request for fiscal year 2002 by \$3 million. Chief Justice McFarland informed the Committee that they have their own budget personnel who go through a "winnowing" process before their budget is ever submitted. She emphasized that they were a separate branch of government and not part of the executive branch as the Budget Division was treating them.

Chief Justice McFarland also reminded the Committee that they are required by law to have District Judicial Offices open and staffed in 110 county court houses no matter what the work load. There is no way for the district courts to control the number of persons who must be served as well as work with unfunded state and federal mandates which can be costly when they require more personnel. Judges in many areas are required to travel distances between court settings and with the proposed reduction of their travel expenses, such expenses have to come out of the salaries area.

Chief Justice McFarland also presented a progress report on the implementation of the Nonjudicial Salary Initiative Plan. She thanked the Committee for their support in upgrading salaries as it appears to be helping to offset the previous turnover problems with nonjudicial staff.

Jerry Sloan, Office of Judicial Administration, further explained the implementation process and benefits of the NJSI plan which was implemented in July of 2000 (Attachment 3). The increase in starting salaries and the opportunity for movement up a more competitive salary scale has attracted more qualified applicants. As nearly 20% of the nonjudicial personnel are reaching the top of the pay plan, Mr. Sloan said they recommended a realistic COLA be developed for such persons. It would be funded through docket fees. A new employee evaluation process is being designed to provide each employee with a clear statement of what is expected for that employee to perform required job duties in a successful manner. A pay for performance component is also being designed as well as a training program for the supervisors. The pay for performance component will be funded from the raised docket fees with no funding required from the State General Fund.

Judge John White, Chief Judge of the 31st Judicial District, Iola, presented a review of the nonjudicial salary pay plan as provided for in 2000 **HB 2027** (Attachment 4).

Kathy Porter, Office of Judicial Administration, reported that the Pay Plan Phase II has not been implemented at this point though they were in hopes of doing so this next fiscal year. The Judicial Council has recommended there be no further raising of docket fees, however, as the case loads increase, so will the amount collected from docket fees. Phase II will include the reclassification of many employees.

Steve Richards, Secretary of the Department of Revenue, reviewed his professional experience and presented an overview of the Kansas Department of Revenue (Attachment 5). The satisfactory progress of the 2001 income tax processing was discussed along with the existing problem of aging infrastructure and the unavailability of temporary workers to open mail and enter the data. The amount of \$1.3 million will be needed in the next fiscal year to replace software and a stamper which is used to encode and stamp the incoming checks.

Representative Bethell moved for the introduction of two bills which would "fix" 2000 HB 2700 by removing the controversial language regarding background checks for health care providers. This bill was vetoed by the Governor. The language in one proposed bill would include merely expanding the list of prohibited crimes. The other bill would address all the policies in the vetoed bill. The motion was seconded by Representative Landwehr. Motion carried.

Representative Nichols moved for the introduction of legislation which would reauthorize the one-half of the retirement dividend payment for KPERS. Motion was seconded by Representative Hermes. Motion carried.

Representative Nichols moved for the introduction of legislation which would limit credit card solicitation on college campuses in Kansas. Motion was seconded by Representative Ballard. Motion carried.

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Representative Neufeld moved that the minutes of January 10 and January 11, 2001, be approved. Motion seconded by Representative Campbell. Representative Ballard pointed out that she, not Representative Landwehr, had seconded the motion made by Representative Bethell on January 11, 2001. Motion carried with the technical change.

The meeting was adjourned. The next meeting is scheduled for January 24, 2001.



<http://da.state.ks.us>

DEPARTMENT OF ADMINISTRATION
Division of Personnel Services

BILL GRAVES
Governor

DAN STANLEY
Secretary of Administration

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January 22, 2001

The Honorable Kenny Wilk
Kansas House of Representatives
Capitol Building, Room 514-S
Topeka, KS 66612

Dear Representative Wilk:

This letter is a follow-up to the Appropriations committee hearing held on January 10, 2001. The following addresses questions raised by the committee during the discussion related to the Governor's pay plan proposal.

- 1) What will be the cost of the pay plan modifications for FY 2001 through FY 2003?
(Representative Neufeld)

For FY 2001, the total cost for eliminating the first 3 steps of the current pay matrix, step 4 becoming the entry level step and steps 4 and 5 becoming six month steps will be \$2.4 million from all funds, approximately half of which will come from State General Fund (SGF).

The cost of the FY 2002 base increase is \$18.9 million from all funds with \$10 million from the SGF. The cost of the unclassified merit increase is \$18.4 million from all funds, with \$13.5 million from the SGF.

The total estimated cost of annualizing the Governor's pay proposal in FY 2003 is \$12.4 million from all funding sources, of which \$7.9 million would be from the SGF. Of this total, \$6.1 million represents unclassified merit, with \$4.5 million from the SGF. In addition, \$6.3 million, of which \$3.4 million from the SGF is for the classified base salary adjustment. The effective average increase for FY 2002 of the two 1.5 percent increases under the Governor's plan is approximately 2.25 percent. The annualization estimate, therefore, represents the funds necessary to finance the remaining increment of .75 percent to make a total of 3.0 for FY 2003.

- 2) What will be the overall effect on the average salary and will it be more than 3%?
(Representative Pottorff)

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ATTACHMENT 1

Honorable Kenny Wilk
January 22, 2001
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The average salary for employees will increase from \$28,733 to \$29,918 for a total increase of 4.1% on average salary. When highway patrol troopers, corrections officers and juvenile corrections officers are included with the additional increase those classes will receive, the average salary increases from \$28,567 to \$29,838 for a total increase of 4.4%. (Attachment 1)

- 3) Attachment 2 is a sample of what the total compensation report for employees will look like.
(Representative Wilk)
- 4) Why is there a disproportionate amount of State General Fund in cost increase?
(Representative Wilk)

There are two reasons why the State General Fund amount in the pay plan is disproportionately large. One is because the enhancements for uniformed corrections officers and Highway Patrol troopers that the Governor recommends for FY 2002 are financed mostly from the General Fund. The second reason is a consequence of financing the Governor's proposed pay plan. When the Division of the Budget recommendations are released to agencies in November, a salary plan is not included because the Governor has not made decisions about a pay plan at that point. However, full utilization has been made of special revenue funds in November. Later, when the Governor finalizes his salary plan, the special revenue funds are mostly tapped out and a disproportionately larger amount must be added from the SGF. This is a common occurrence.

I hope your committee will find this information to be useful. Please feel free to contact me at 296-2541 if there are any further questions or additional information is needed.

Sincerely,


Bobbi Mariani

BJM:KMG

Attachments

cc: Alan Conroy

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**Governor's Plan
Pay Increase Estimates**

Group	No. Employees	Current Average **	Average Increase February 4, 2001	3% General Increase	Additional % Increase	Average Increase	Total % Increase
KHP	502	\$36,229	\$36,789	\$37,893	5.0%	\$39,787	9.8%
Corrections Officers *	1,421	\$24,282	\$24,708	\$25,449	2.5%	\$26,085	7.4%
Juvenile Correct. Officer	347	\$24,458	\$24,879	\$25,625	2.5%	\$26,266	7.4%
All Others	22,077	\$28,733	\$29,047	\$29,918	0.0%	\$29,918	4.1%
Statewide	24,347	\$28,567	\$28,894	\$29,761		\$29,838	4.4%
* does not include bonuses							
** As of 1/2/01							
Department of Administration							
Division of Personnel Services							
1-22-01							
SO							

DRAFT

State Of Kansas Employee 2000 Total Compensation Statement

As an employee of the State of Kansas, you receive direct compensation (pay, leave, etc.) and indirect compensation (employer contributions). This statement lists the direct and indirect compensation you received in 2000. Please contact your agency human resources office if you have any questions concerning this statement. The amounts below are based on current benefits costs and programs. All benefits listed are subject to change.

NAME
ADDRESS
CITY STATE ZIP

Direct Compensation

Compensation you received as an employee of the State of Kansas

Regular Hours	\$ 43,607.52	
Overtime Hours	\$ 0.00	
Shift Differential	\$ 0.00	
Bonus Pay	\$ 0.00	
Holidays	\$ 1,823.36	
Vacation Leave Taken	\$ 1,556.24	
Sick Leave Taken	\$ 543.36	
Other Leave Taken	\$ 0.00	
Other Pay	\$ 0.00	
Total Direct Compensation		\$ 47,530.48

Indirect Compensation

Payments made by the State of Kansas as your employer

Employer Contribution to Benefits	\$ 3,787.22	
Employer Contribution to Retirement	\$ 1,799.78	
Employer Tax Contributions	\$ 3,912.01	
Total Indirect Compensation		\$ 9,499.01

Total Direct and Indirect Compensation **\$ 57,029.49**

Your total compensation is actually greater than the amount shown. You also may receive or utilize some of the following benefits and services:

- | | | |
|---|----------------------------|---------------------------------|
| * Deferred Compensation | * Direct Deposit | * Service Recognition |
| * Optional Group Life Insurance | * Long Term Care Insurance | * Savings Bonds |
| * Moving Expense Reimbursement | * Tuition Reimbursement | * Training/Continuing Education |
| * KanElect (Pretax Premium Option, Flexible Spending Accounts) | * Vision Insurance | |
| * Payroll Deduction for Professional Assoc. Dues, United Way and KPERS BuyBacks | | |
| * HealthQuest (LifeLine, HealthCheck, Exercise and Fitness Events, Education Services, Self-Care Resources) | | |

Nothing in this statement shall be construed as a contract of employment between the State of Kansas and any employee, nor as a guarantee of any employee to be continued in the employment of the State, nor as a limitation on the right of the State to discharge any of its employees with or without cause.

The 2000 Total Compensation Statement does not replace W-2 forms or other income tax related information and is not intended for use in tax preparation.

This year is the first time that the State of Kansas, as your employer, has prepared a *Total Compensation Statement*. The enclosed statement shows direct compensation paid to you and indirect compensation paid on your behalf in 2000. **The statement does not replace W-2 forms or other income tax related information and is not intended for use in tax preparation.**

Listed below are some of the various types of pay and employer contributions that may be included in the amounts shown on the statement. The list does not include all of the possible types and is not specific to your personalized statement. Please contact your agency human resources office if you have any questions concerning this statement.

Direct Compensation

Regular Hours may include:

Regular Earnings, Additional Hours, Retroactive Pay, Earnings Advance, Board Members Pay, Worker Compensation

Overtime Hours may include:

Overtime .5, Call Back Pay – Overtime, Overtime Differential Pay, IT Critical Project Bonus OT Earns

Shift Differential may include:

Various Pay Shift options, Call Back Premium, Various Pay Differential options, Standby Hours

Bonus Pay may include:

Longevity Bonus, Suggestion Award, Quality Bonus Payment, Kansas Savings Incentive Program, IT Signing Bonus, IT Mission Critical Project Bonus

Holidays may include:

Discretionary Day, Holiday Pay, Holiday Credit, Holiday Premium Pay

Vacation Leave Taken may include:

Vacation Leave, Vacation Leave Payout, Worker Compensation Vacation Leave

Sick Leave Taken may include:

Sick Leave, Worker Compensation Sick Leave

Other Leave Taken may include:

Funeral Leave, Military Duty, Shared Leave, Disaster Leave, Administrative Leave, Comp Time Taken, Daylight Saving Time

Other Pay may include:

Contractual Pay, Call Back Pay, Emergency Pay, Comp Time Payout

Indirect Compensation – Employer Contributions

Benefits contributions may include:

Medical Insurance
Prescription Drug Insurance
Dental Insurance
Group Life Insurance
Long-Term Disability Insurance
Accidental Death Benefits

Retirement contributions may include:

KPERS Regular
KPERS Corrections Officers
KPERS Judges
KPERS Legislators
KPERS Police and Fire

Tax contributions may include:

OASDI/Disability
FICA (Medicare)
Worker Compensation Insurance
Unemployment Insurance

Attachments Accompanying Chief Justice Kay McFarland's Remarks

Overview of the Kansas Judicial Branch, Including Budget Issues and
Nonjudicial Salary Initiative (NJSI) Plan Implementation and Progress

House Appropriations Committee

Tuesday, January 23, 2001

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ATTACHMENT 2

Attachment A

Attachment A shows the history of statutory provisions regarding submitting the Judicial Branch budget to the Governor.

Attachment B

Attachment B shows a seven-year history of Judicial Branch State General Fund expenditures for other operating expenditures (OOE). Although it is frequently noted that approximately 97% of the Judicial Branch budget is expended for salaries and wages, this shows the actual State General Fund amounts that are expended for OOE.

Attachment C

Attachment C shows the number of nonjudicial personnel in the district courts from FY 1991 to FY 2001. The actual net increase in FTE positions from FY 1991 to FY 2001 has been 30.0 FTE positions.

Attachment D

Attachment D shows the number of days vacant nonjudicial positions were held open from FY 1993 to FY 2001. Some years noted as "60 days or more" had 90-day hiring freezes.

Attachment E

Attachment E shows a five-year history of the amount requested from the State General Fund, the Governor's recommendation, the dollar difference between those two amounts, the total State General Fund expenditures recommended, and the difference expressed as a percentage of total recommended State General Fund expenditures.

**Judicial Branch Budget Submission to Governor Issue
History of Statutory Provisions**

L.1976, Ch. 146, §42

New Sec. 42. The chief justice of the supreme court shall be responsible for the preparation of the budget for the judicial branch of state government, with such assistance as the chief justice may require from the judicial administrator and shall submit to the director of the budget, at the time prescribed by law, the annual budget request for the judicial branch of state government for inclusion in the annual budget document for appropriations for the judiciary.

L. 1978, Ch. 108, §5

Sec. 5. K.S.A. 1977 Supp. 20-158 is hereby amended to read as follows: 20-158. The chief justice of the supreme court shall be responsible for the preparation of the budget for the judicial branch of state government, with such assistance as the chief justice may require for the judicial administrator ~~and, the chief judge of the court of appeals and the administrative judge of each judicial district.~~ *Each district court and the court of appeals shall submit their budget requests to the chief justice in such form and at such time as the chief justice may require. The chief justice shall submit to the director of the budget, at the time prescribed by law, the annual budget request for the judicial branch of state government for inclusion, without any changes therein, in the annual budget document for appropriations for the judiciary. Such budget shall be prepared and submitted in the manner provided by K.S.A. 75-3716 and 75-3717.*

L. 1979, Ch. 290, §1

Section 1. K.S.A. 1978 supp. 20-158 is hereby amended to read as follows: 20-158. The chief justice of the supreme court shall be responsible for the preparation of the budget for the judicial branch of state government, with such assistance as the chief justice may require from the judicial administrator, the chief judge of the court of appeals and the administrative judge of each judicial district. Each district court and the court of appeals shall submit their budget requests to the chief justice in such form and at such time as the chief justice may require. The chief justice shall submit to the director of the budget the annual budget request for the judicial branch of state government for inclusion, ~~without any changes therein,~~ in the annual budget document for appropriations for the judiciary. Such budget shall be prepared and submitted in the manner provided by K.S.A. 75-3716 and K.S.A. 1978 Supp. 75-3717. *The director of the budget shall review and may make such recommendations to the legislature for proposed changes in such budget as the director deems necessary and appropriate.*

Attachment A

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2-4

Kansas Judicial Branch

State General Fund OOE Expenditures

Fiscal Year	Expenditures	
1996	\$1,727,051	
1997	\$1,572,815	
1998	\$1,951,482	
1999	\$2,406,082	
2000	\$1,663,915	
2001 (est.)	\$1,708,626	
2002	Judicial Branch Request	Governor's Recommendation
	\$1,744,141	\$1,419,317

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Kansas Judicial Branch

District Court Nonjudicial Personnel

Fiscal Year	FTE
1991	1,404.0
1992	1,349.5
1993	1,348.5
1994	1,367.0
1995	1,380.0
1996	1,387.0
1997	1,389.0
1998	1,404.0
1999	1,419.0
2000	1,434.0
2001	1,434.0

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Kansas Judicial Branch

Hiring Freeze History 1993 - Present

Fiscal Year	Freeze
1993	60 days or more
1994	60 days or more
1995	60 days or more
1996	60 days or more
1997	60 days or more
1998	45 days
1999	
2000	
2001	60 days

Judicial Branch SGF Request History

Judicial Branch SGF Request	Governor's Recommended SGF	Difference	Total Governor's Recommendation for SGF Expenditures*	Difference as a Percentage of SGF Recommended Expenditures
FY 2001 \$82,415,555**	\$77,502,339	\$4,913,216	\$4,425,900,000	0.11% (eleven one-hundredths of one percent)
FY 2000 \$79,189,087	\$76,404,385	\$2,784,702	\$4,419,200,000	0.06% (six one-hundredths of one percent)
FY 1999 \$74,838,457	\$73,645,877	\$1,192,580	\$4,082,200,000	0.03% (three one-hundredths of one percent)
FY 1998 \$70,245,773	\$69,508,739	\$737,034	\$3,753,100,000	0.02% (two one-hundredths of one percent)
FY 1997 \$69,672,067	\$66,913,844	\$2,758,223	\$3,521,800,000	0.08% (eight one-hundredths of one percent)

*Amounts rounded to the nearest million as noted in *The Governor's Budget Report*.

**FY 2001 requested expenditures exclude funding of \$2,364,646 requested for the Nonjudicial Salary Initiative, which later was amended as a request from docket fees.

This table shows a five-year history of the amount requested from the State General Fund, the Governor's recommendation, the dollar difference between those two amounts, the total State General Fund expenditures recommended, and the difference expressed as a percentage of total recommended State General Fund expenditures.

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State of Kansas
Office of Judicial Administration
Kansas Judicial Center
301 SW 10th
Topeka, Kansas 66612-1507

(785) 296-2256

House Appropriations Committee

January 23, 2001

Kathy Porter and Jerry Sloan, Office of Judicial Administration

**Implementation of the Nonjudicial Salary Initiative (NJSI) Plan,
and Proposed Docket Fee Increases**

The NJSI plan was implemented to give salary increases to Judicial Branch nonjudicial employees in exactly the manner explained to the 2000 Legislature.

The nonjudicial salary increases contemplated by 2000 Senate Substitute for House Bill 2027 became effective on July 23, 2000, and were seen by Judicial Branch employees in their August 18 paychecks. In anticipation of the pay plan's enactment, Office of Judicial Administration staff began preparing for conversion to the new pay plan prior to the end of the 2000 Legislative Session. Conversion to the new plan was somewhat labor-intensive, because some of the work could not be done through Department of Administration Division of Personnel Services computer programming and had to be done on an employee by employee basis.

The July 23 implementation date was beneficial to the NJSI Fund, in that the 2000 Legislature made clear that revenue generated from the docket fee increases included in 2000 Senate Substitute for House Bill 2027 was to finance the future ongoing cost of the pay increases implemented this year. The delay in implementation meant that less money was drawn from the fund to implement the plan's first year.

The plan's impact can be seen by noting the increase in starting salaries. Trial Court Clerk II positions make up the largest class of Judicial Branch employees, with 464.5 FTE positions. The starting salary for this job class went from \$8.47 per hour (\$17,618 annually) to \$9.12 per hour (\$18,970 annually).

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ATTACHMENT 3

As explained to the 2000 Legislature, court services officers were first upgraded one salary grade to give them parity with Department of Corrections parole officers. They were then placed on the NJSI pay plan.

**Has the plan helped to attract qualified new employees
and to retain valued, experienced employees?**

Judicial Branch managers statewide have commented on their ability to attract qualified applicants, and have related numerous anecdotes about their ability to now attract an adequate number of applicants, most of whom are qualified, for job openings that one year ago had attracted few or no qualified applicants.

Although many positive results have been achieved statewide, including Johnson County, there is still some concern as to whether starting salaries have increased sufficiently to allow the courts to attract and retain qualified applicants in the Johnson County job market.

The approximate five-month time period since the implementation date has not been a sufficient period of time to provide meaningful data about employee retention. Employees leave jobs for a variety of reasons other than pay, and Judicial Branch employees are no exception. While fewer Judicial Branch employees have left in the past five months than had been the norm in recent years, the five-month time period is again an insufficient period of time from which to draw any major conclusions. However, the Judicial Branch salaries and wages turnover rate for the current year is significantly lower than the budgeted rate.

One measure of the plan's success is the number of "permission to fill" requests that have been made in the current year compared with the number in previous years. A permission to fill request must be completed before all Judicial Branch nonjudicial positions can be filled. The attachment entitled "Permission to fill requests" shows the number of requests going from a high of approximately 250 for clerk positions in FY 2000 to a projected total of approximately 170 in the current year.

What is left to be done on the NJSI plan?

The NJSI committee continues its work of designing a new employee evaluation process that will provide each employee with a clear statement of what is expected for that employee to perform required job duties in a successful manner. New performance evaluations that are compatible with pay for performance have been developed. These evaluation tools will be used in a pay for performance pilot program that we plan to begin with Judicial Branch managerial employees.

Pay for performance is intended to reward those employees who perform in an exceptional manner, to provide an incentive and a climate for change to those employees who are capable of exceptional performance, and to identify those employees not performing as required. The evaluation tool is intended to provide, to the extent possible, objective and specific evaluation criteria that will be helpful to both the supervisor evaluating the employee and to the employee. Training on the employee evaluations was presented at the December 8, 2000, chief judges meeting.

Another area on which the NJSI Committee is focusing is the need to reclassify some existing positions. With the increasing use of technology, a number of positions and classifications have evolved in the state system. The NJSI is currently working to ensure that the Judicial Branch's current classifications are appropriate, and to ensure that its classifications are internally consistent. Once this is completed, other employers will be surveyed to see if Judicial Branch salaries are appropriate or whether they need to be modified.

The cornerstone of the NJSI pay plan is a meaningful annual cost of living increase. As you have heard throughout the presentations today, without an annual meaningful COLA, the pay plan will not reflect the cost of hiring, and the pay plan will again slip behind.

Would the docket fee increases recommended by the Judicial Council be easily implemented and collected?

The Judicial Council's proposed fee increases were distributed to court administrators and clerks of the district court for comment. The comments from clerks and administrators state repeatedly that a simple fee schedule is best for the clerks, and it is their feeling that litigants would agree.

The current Kansas docket fee schedule fits easily on one sheet of paper, with one additional sheet for other costs and fees (the lien filing fees). Earlier this summer, the Office of Judicial Administration collected docket fee schedules from other states. Compared to many, the current Kansas docket fee schedule is elegant in its simplicity.

All of the Judicial Council's recommended fee increases could be implemented. Implementation would require training for clerks and attorneys, but the increases could be accommodated.

How much revenue would be generated by the Judicial Council's proposed docket fee increases?

A separate document entitled "Fee Increase Analysis" provides detailed information on both revenue increase estimates and the method in which the estimates were calculated.

The revenue generated from docket fee increases included in 2000 Senate Substitute for House Bill 2027 could be easily calculated by multiplying the amount of the increase by the number of cases historically filed in each of the major docket fee categories. The fee increases recommended here cannot, in most instances, be estimated with much certainty. They include items for which the Judicial Branch's statistics system is not capable of keeping statistics, such as motions filed within cases, the number of garnishments filed, some types of probate filings, and other items.

Are there other docket fees that could be increased?

One docket fee that was not increased last year was the fee for appeals from other courts. That fee is listed in K.S.A. 1999 Supp. 28-172a, and the current docket fee is \$62.50. One

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January 23, 2001

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example of when this fee would be charged is for appeals from municipal court to the district court.

Historically, this fee had been level with the Chapter 60 docket fee in some years, but it appeared to have been overlooked in recent years when the Chapter 60 docket fee increased. Making this fee consistent with the \$101 Chapter 60 docket fee would both provide some additional revenue and would provide some uniformity for the clerks.

There are, of course, other possibilities. Revenue estimates for any recommendations the committee might make could be generated for your consideration.

JUDICIAL COUNCIL DOCKET FEE RECOMMENDATIONS

CIVIL

<u>Description</u>	<u>Current Fee</u>	<u>Judicial Council Recommendation</u>
<p>In Chapter 60, at the time plaintiff files a response to a request for statement of damages, or at the pretrial conference, whichever first occurs, and if plaintiff seeks a specific amount in excess of \$75,000, then the clerk will assess an additional filing fee based on the following schedule:</p>		
\$75,000 or less: No additional fee	\$101.00	\$101.00
\$75,001 - \$500,000: Additional fee of \$49	\$101.00	\$150.00
\$500,001 - \$1 million: Additional fee of \$99	\$101.00	\$200.00
\$1,000,001 - \$5 million: Additional fee of \$199	\$101.00	\$300.00
Excess of \$5 million: Additional fee of \$299	\$101.00	\$400.00
<p>This graduated scale could be adjusted based on an analysis of the number of cases in each category, and the likely revenue to be derived therefrom. However, the logic is to make the bigger, more complex cases pay for themselves.</p>		
Fee for registration of foreign judgments	\$0.00	\$101.00
In the alternative: that the filing fee for Limited Actions cases (\$500 or less) be increased to the amount the Judicial Branch recommended to the 2000 Legislature	\$26.00	\$45.00
OR		
a fee be imposed for garnishments:		
Regular	\$0.00	\$10.00
Continuing	\$0.00	\$25.00
Fee for hearings in aid of execution	\$0.00	\$10.00

CRIMINAL

<u>Description</u>	<u>Current Fee</u>	<u>Judicial Council Recommendation</u>
Adopt a fee for expungements equal to the amount of the general civil filing fee	\$0.00	\$101.00
Adopt a monthly criminal probation fee of \$20.00 per month for felonies and \$10.00 for misdemeanors		
Felony	\$50.00/one time	\$20.00/month
Misdemeanor	\$25.00/one time	\$10.00/month

Provided: The fee be subject to constitutional limitations and judges' discretion and a cap amount shall be determined at sentencing.

DOMESTIC

<u>Description</u>	<u>Current Fee</u>	<u>Judicial Council Recommendation</u>
Post Divorce Motion	\$20.00	\$40.00
Modification on agreed order	\$0.00	\$40.00

PROBATE

<u>Description</u>	<u>Current Fee</u>	<u>Judicial Council Recommendation</u>
Treatment of Mentally Ill	\$24.50	\$30.00
Treatment of Alcohol or Drug Abuse	\$24.50	\$30.00
Determination of Descent of Property	\$39.50	\$150.00
Terminate Life Estate	\$39.50	\$50.00
Terminate Joint Tenancy	\$39.50	\$50.00

Refusal to Grant Letters of Administration	\$39.50	\$50.00
Adoption		
Step Parent Adoption	\$39.50	\$50.00
Adult Adoption	\$39.50	\$50.00
SRS Adoption	\$39.50	\$50.00
Agency Adoption	\$39.50	\$250.00
Independent Adoption	\$39.50	\$250.00
International Adoption (59-2144)	\$39.50	\$250.00
Filing a Will And Affidavit under KSA 59-618a	\$39.50	\$50.00
Guardianship	\$59.50	\$75.00
Conservatorship	\$59.50	\$75.00
Guardianship and Conservatorship	\$59.50	\$150.00
Annual Reports	\$0.00	\$10.00
Annual Accounting of Conservatorship Minor or Adult under \$10,000 (may be waived)	\$0.00	\$10.00
Annual Accounting of Conservatorship Minor or Adult over \$10,000 (may be waived)	\$0.00	\$50.00
Termination of Guardianship of Minor Attaining the Age of 18	\$0.00	\$0.00
Termination of Adult Guardianship by Restoration or Death	\$0.00	\$0.00
Closing Conservatorship of Minor or Adult under \$10,000	\$0.00	\$10.00
Closing Conservatorship of Minor or Adult over \$10,000	\$0.00	\$50.00
Trusteeship	\$59.50	\$100.00
Certified Probate Proceedings under KSA 59-213	\$14.50	\$15.00

Decrees in Probate from another State	\$99.50	\$100.00
Probate of an Estate or a Will	\$99.50	\$150.00
Civil Commitment under KSA 59-29a01 et. seq.	\$24.50	\$30.00

OTHER COSTS AND FEES

<u>Description</u>	<u>Current Fee</u>	<u>Judicial Council Recommendation</u>
Copying and Certifying (K.S.A. 28-1)	Set by Local Rule	No recommendation
Performance Bonds (Contractors, etc.) (K.S.A. 16-113, 60-305, 60-306, 60-1110, 60-1111, and 28-170)	\$5.00	\$20.00
Employment Security Tax Warrant (K.S.A. 28-170)	\$15.00	\$20.00
Sales and Compensating Tax Warrant (K.S.A. 28-170)	\$15.00	\$20.00
State Tax Warrant (K.S.A. 28-170)	\$15.00	\$20.00
Delinquent Personal Property Tax Judgment (K.S.A. 28-170)	\$5.00	\$20.00
Hospital Lien (K.S.A. 65-409)	\$5.00	\$20.00
Intent to Perform (K.S.A. 60-1103[b] and 28-170)	\$5.00	\$20.00
Mechanic's Lien (K.S.A. 28-170)	\$5.00	\$20.00
Oil and Gas Mechanic's Lien (K.S.A. 28-170)	\$5.00	\$20.00
Motor Carrier Tax Lien (K.S.A. 28-170)	\$15.00	\$20.00

Pending Action Lien (K.S.A. 60-2203[a])	\$5.00	\$20.00
Transcriptionist fees		
Electronic Recordings (Supreme Court Rule 366: for each additional page)	\$2.75	No recommendation
For each copied page	\$.50	No recommendation

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Fee Increase Analysis

3-10

Civil

Chapter 60:

There were 22,040 regular civil case filings in FY00.
This translates into the following breakdown:

9,257 cases at the recommended \$101.00 fee
7,273 cases at the recommended \$150.00 fee
4,188 cases at the recommended \$200.00 fee
1,102 cases at the recommended \$300.00 fee
220 cases at the recommended \$400.00 fee

An estimated 25% of the increase will be collected the first year of implementation.
This results in a first year increase of **\$264,039**. The estimated increase for FY02 is \$1,056,067.

Registration of foreign judgments: No change

Limited Action:

There were 125,531 limited action case filings in FY00. Approximately 55% of these filings would experience an increase to the proposed \$45 filing fee. Applying a collection rate of 98% results in an increase of **\$1,285,563**.

OR

Maintain the \$26 fee and establish a fee schedule on garnishments as follows:
Assume 60% of limited action cases filed eventually lead to garnishment, with 60% of these being continuing garnishments.

Regular garnishment 30,127 cases at \$10.00 = \$301,270

Continuing garnishment 45,191 cases at \$25.00 = \$1,129,775

When the estimated collection rate of 98% is applied, the increase is **\$1,402,436**.

Fee for hearings in aid of execution:

Estimate 5% of limited action judgments result in hearing. This generates an increase of \$43,940.

3-11

Criminal

Expungements: Estimate 500 statewide at \$101 fee generates an increase of **\$50,500**.

Criminal probation fee:

Due to the effective date of this increase, **no additional fees** are expected the first year.

The increase after the first year is as follows:

Estimate 13,000 felony probation fees at \$20.00/mo and collection rate of 20% = \$624,000.

Subtracting the \$130,000 collected under the \$50 one-time fee nets an increase of \$494,000.

Estimate 14,500 misdemeanor probation fees at \$10.00/mo and collection rate of 35% = \$609,000.

Subtracting the \$126,875 collected under the \$25 one-time fee nets an increase of \$482,125.

Domestic

Post Decree Motion:

Estimate 1.0 motion per decree applied to a caseload of 11,732 generates an increase of **\$234,640**.

Probate:

Treatment of Mentally Ill

Treatment of Alcohol or Drug Abuse:

Estimate collection on 25% of the combined 2,068 FY00 cases. The increase is **\$2,844**.

Determination of Descent of Property

Terminate Life Estate

Terminate Joint Tenancy

Refusal to Grant Letters of Administration:

Estimate collection on 98% of these cases. The increase on 1,373 cases is **\$148,682**.

Probate:

Adoption:

Estimate 91% of the 2,024 adoption filings in FY00 are step parent, adult, or SRS adoptions. The collection rate for these types will vary generating an estimated increase of **\$13,070**.

Estimate 9% of adoption filings are agency, independent or international adoptions. The estimated increase for these types of adoptions is **\$38,344**.

Filing a Will and Affidavit: A modest increase in both case filings and fees collected is expected.

Guardianship

Conservatorship

Guardianship and Conservatorship:

The fee increase is determined by taking the number of filings for these three case types and applying collection rate factors of 40% for guardianship cases, 60% for conservatorships, and 50% for guardianship and conservatorship cases. The resultant increase is **\$58,017**.

Annual Reports:

Estimate fee increase based upon 7,800 total requests to be **\$78,000**.

Annual Accounting of Conservatorship

under \$10,000

over \$10,000

These annual accounting requests are estimated to number 3,500. A collection rate of 30% is applied resulting in a fee increase of **\$52,500**.

Termination of Guardianship of Minor Attaining the Age of 18: No change, \$0.00.

Termination of Adult Guardianship by Restoration or Death: No change, \$0,00.

Closing Conservatorship
under \$10,000
over \$10,000:

There are an estimated 2,000 closings per year. This will result in an increase of **\$60,000**.

Probate:

Trusteeship:

The collection rate is estimated at 98% on the 146 cases. The increase is **\$5,795**.

Certified Probate Proceedings: No significant change.

Decrees in Probate from another State: modest increase.

Probate of an Estate or a Will:

This fee increase of \$50.50 applied to 4,187 cases results in an increase of **\$211,444**.

Civil Commitment: modest increase.

Other Costs and Fees:

Fees changing from \$5.00 to \$20.00:

Estimate that the \$20 fee will be collected 3,435 times resulting in an increase of **\$51,525**.

Fees changing from \$15.00 to \$20.00:

Estimate that the \$20 fee will be collected 4,812 times resulting in an increase of **\$24,060**.

Total Fee Increase:

The total increase in fee collection will be between **\$2,622,963** and **\$2,739,836** the first year.

The higher total uses limited actions garnishments.

3-14

2001
HOUSE APPROPRIATIONS
COMMITTEE

A REVIEW OF THE
NONJUDICIAL SALARY PAY
PLAN—HB 2027

HOUSE APPROPRIATIONS
DATE 1/23/01
ATTACHMENT 4

HB 2027

(a) There is hereby established in the state treasury the judicial branch nonjudicial salary initiative fund.

(b) All moneys credited to the judicial branch nonjudicial salary initiative fund shall be used for compensation of nonjudicial officers and employees of the district courts, court of appeals and the supreme court and shall not be expended for compensation of judges or justices of the judicial branch.

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COMMITTEE MEMBERS AND REPRESENTATION

The NJSI includes representatives from the judiciary, clerks of the court, court administrators, court services, and the Office of Judicial Administration. The Department of Administration, Division of Personnel Services and the Office of Judicial Administration have provided staff services and valuable information to the committee.

Appointees to the NJSI:

Hon. John W. White, Chief Judge, 31st Judicial District, NJSI Chair

Hon. Larry McClain, Chief Judge, 10th Judicial District

Hon. Larry Solomon, Chief Judge, 30th Judicial District

Robin Becker, District Court Clerk, 17th Judicial District

Kathleen Collins, District Court Clerk, 29th Judicial District

Louis Hentzen, District Court Administrator, 18th Judicial District

Mary Kadel, Chief Court Services Officer, 14th Judicial District

Patricia Henshall, Personnel/Programs Director, Office of Judicial Administration

Jerry Sloan, Budget and Fiscal Officer, Office of Judicial Administration

Rhonda Truhlar, District Court Clerk, 26th Judicial District

Department of Administration, Division of Personnel Services:

Connie Guerrero, Human Resource Professional IV

Carol Brownlow, Human Resource Professional III

Ken Otte, Human Resource Professional III

Office of Judicial Administration

Dr. Howard Schwartz, Judicial Administrator

Kathy Porter, Executive Assistant to the Judicial Administrator

Amy Bertrand, General Counsel

Nancy Trickett, Education Technician

Kansas Supreme Court

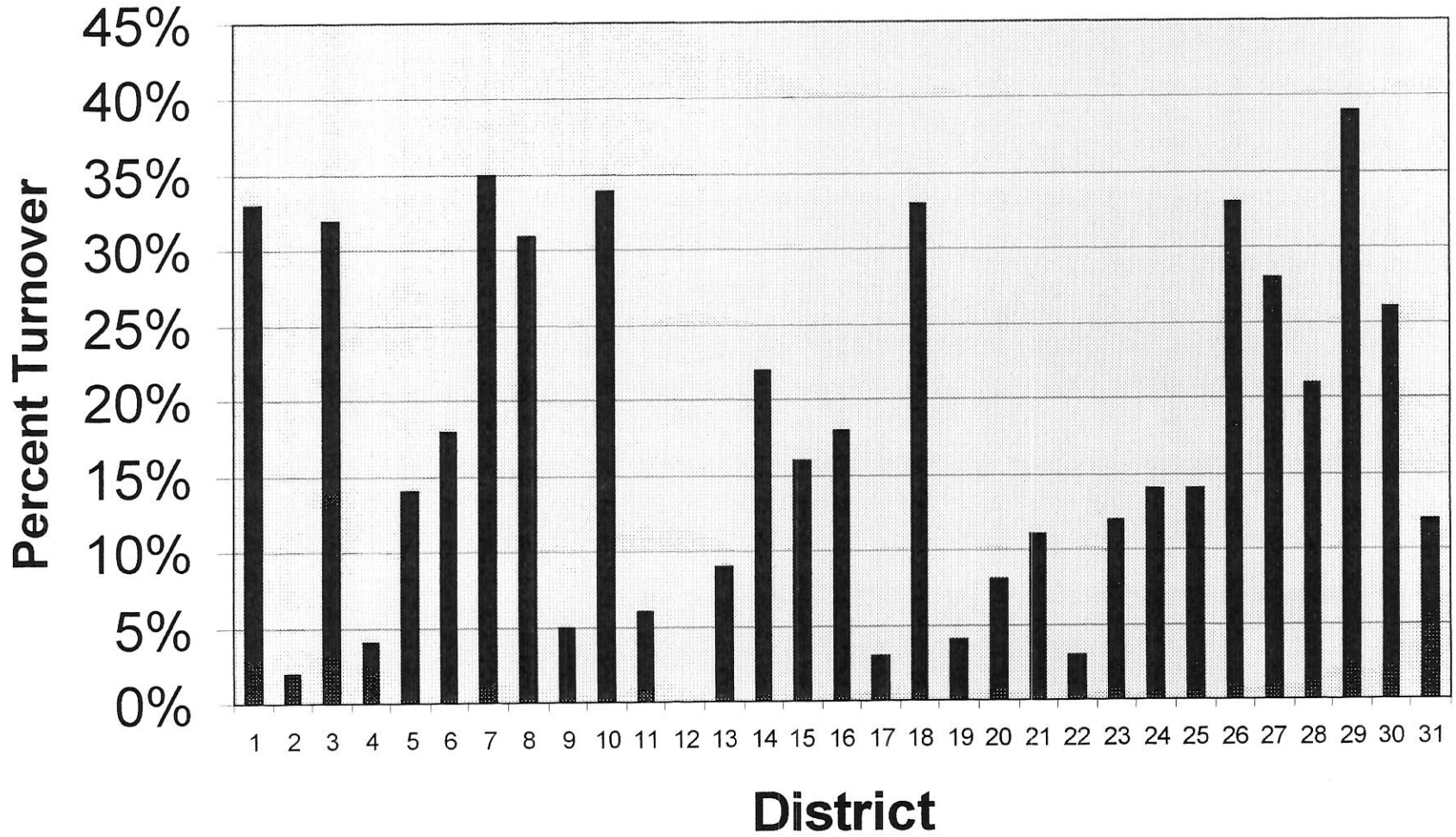
Jack Fowler, Administrative Assistant to the Chief Justice

4-3

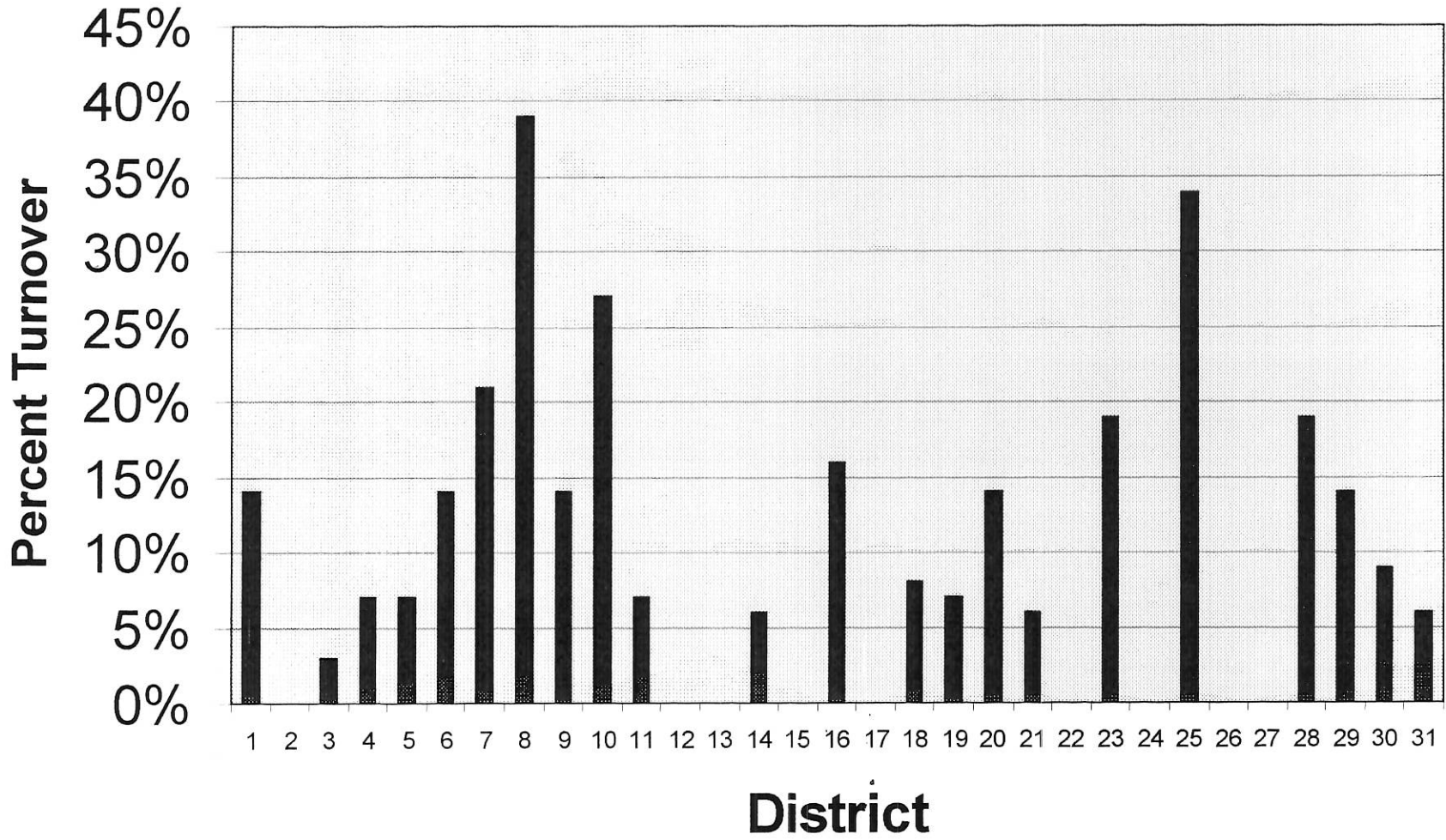
TURNOVER

- All nonjudicial --17%
- Clerk of Courts--23%
- Court Services--12%
- 70.3% leaving system have tenure of less than 3 years
- 620 positions had average of 3.42 years service

Clerk's Turnover



CSO Turnover



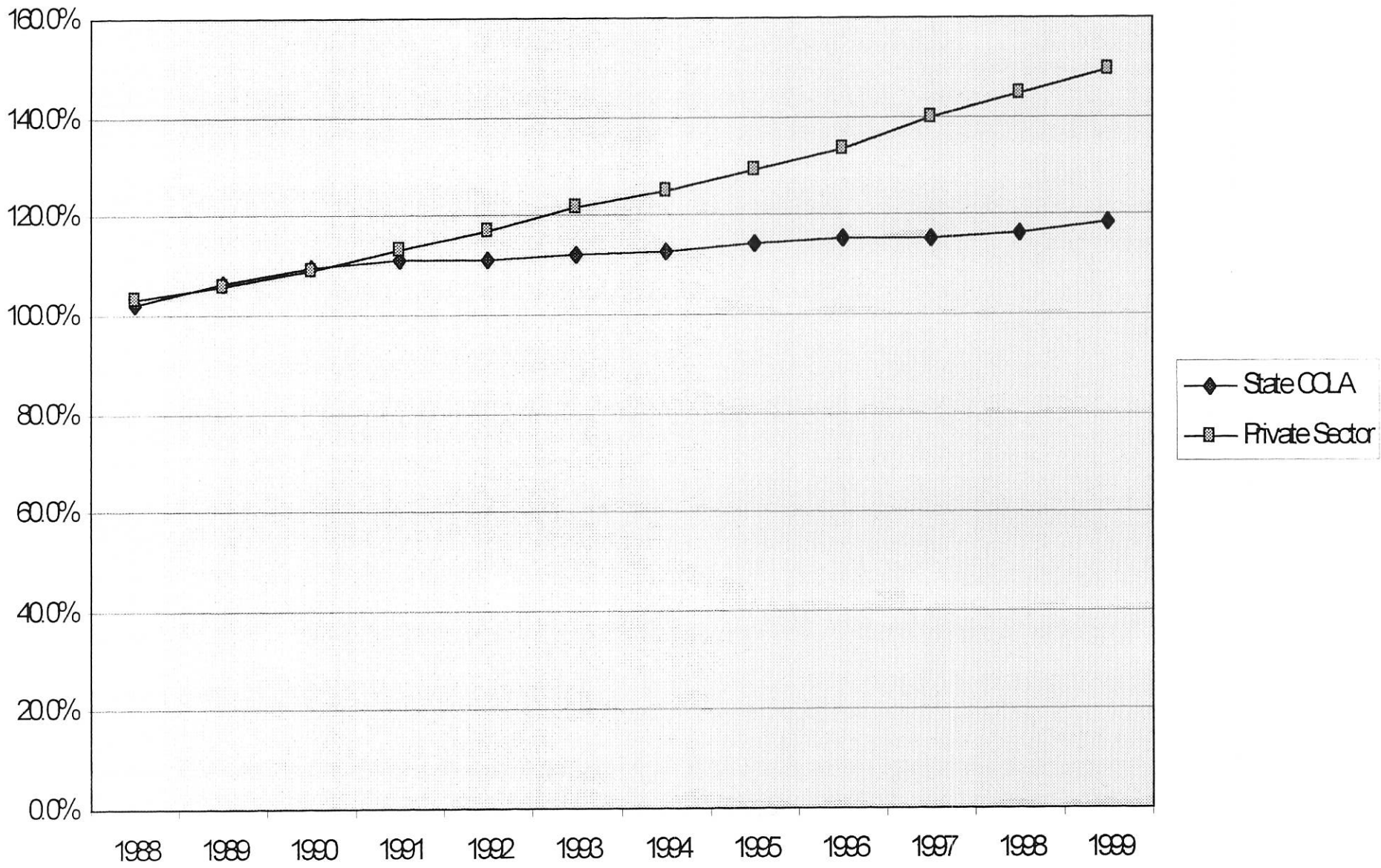
Judicial Branch Pay Plan (FY 00)
 Annual Rates
 Effective June 13, 1999

Grade	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10	Step 11	Step 12	Step 13	Step 14	Step 15
13	16,765	17,181	17,618	18,054	18,512	18,949	19,406	19,906	20,384	20,904	21,382	21,944	22,485	23,026	23,587
14	17,618	18,054	18,512	18,949	19,406	19,906	20,384	20,904	21,382	21,944	22,485	23,026	23,587	24,190	24,773
15	18,512	18,949	19,406	19,906	20,384	20,904	21,382	21,944	22,485	23,026	23,587	24,190	24,773	25,397	26,021
16	19,406	19,906	20,384	20,904	21,382	21,944	22,485	23,026	23,587	24,190	24,773	25,397	26,021	26,666	27,310
17	20,384	20,904	21,382	21,944	22,485	23,026	23,587	24,190	24,773	25,397	26,021	26,666	27,310	27,997	28,704
18	21,382	21,944	22,485	23,026	23,587	24,190	24,773	25,397	26,021	26,666	27,310	27,997	28,704	29,411	30,098
19	22,485	23,026	23,587	24,190	24,773	25,397	26,021	26,666	27,310	27,997	28,704	29,411	30,098	30,867	31,595
20	23,587	24,190	24,773	25,397	26,021	26,666	27,310	27,997	28,704	29,411	30,098	30,867	31,595	32,406	33,197
21	24,773	25,397	26,021	26,666	27,310	27,997	28,704	29,411	30,098	30,867	31,595	32,406	33,197	34,008	34,861
22	26,021	26,666	27,310	27,997	28,704	29,411	30,098	30,867	31,595	32,406	33,197	34,008	34,861	35,734	36,566
23	27,310	27,997	28,704	29,411	30,098	30,867	31,595	32,406	33,197	34,008	34,861	35,734	36,566	37,502	38,418
24	28,704	29,411	30,098	30,867	31,595	32,406	33,197	34,008	34,861	35,734	36,566	37,502	38,418	39,374	40,352
25	30,098	30,867	31,595	32,406	33,197	34,008	34,861	35,734	36,566	37,502	38,418	39,374	40,352	41,371	42,370
26	31,595	32,406	33,197	34,008	34,861	35,734	36,566	37,502	38,418	39,374	40,352	41,371	42,370	43,451	44,470
27	33,197	34,008	34,861	35,734	36,566	37,502	38,418	39,374	40,352	41,371	42,370	43,451	44,470	45,594	46,696
28	34,861	35,734	36,566	37,502	38,418	39,374	40,352	41,371	42,370	43,451	44,470	45,594	46,696	47,882	49,046
29	36,566	37,502	38,418	39,374	40,352	41,371	42,370	43,451	44,470	45,594	46,696	47,882	49,046	50,274	51,522
30	38,418	39,374	40,352	41,371	42,370	43,451	44,470	45,594	46,696	47,882	49,046	50,274	51,522	52,770	54,080
31	40,352	41,371	42,370	43,451	44,470	45,594	46,696	47,882	49,046	50,274	51,522	52,770	54,080	55,411	56,763
32	42,370	43,451	44,470	45,594	46,696	47,882	49,046	50,274	51,522	52,770	54,080	55,411	56,763	58,198	59,571
33	44,470	45,594	46,696	47,882	49,046	50,274	51,522	52,770	54,080	55,411	56,763	58,198	59,571	61,110	62,587
34	46,696	47,882	49,046	50,274	51,522	52,770	54,080	55,411	56,763	58,198	59,571	61,110	62,587	64,147	65,707
35	49,046	50,274	51,522	52,770	54,080	55,411	56,763	58,198	59,571	61,110	62,587	64,147	65,707	67,350	68,994
36	51,522	52,770	54,080	55,411	56,763	58,198	59,571	61,110	62,587	64,147	65,707	67,350	68,994	70,720	72,488
37	54,080	55,411	56,763	58,198	59,571	61,110	62,587	64,147	65,707	67,350	68,994	70,720	72,488	74,235	76,128
38	56,763	58,198	59,571	61,110	62,587	64,147	65,707	67,350	68,994	70,720	72,488	74,235	76,128	77,958	79,914

Percentage Salary Increase (1988 – 1999)

Year	State COLA	Avg. Weekly Wage Private Sector	Inflation Rate
1988	2.0	3.0	---
1989	4.0	2.8	4.6%
1990	3.0	2.7	4.8%
1991	1.5	4.2	5.5%
1992	---	3.3	3.2%
1993	1.0	3.9	3.1%
1994	0.5	2.8	2.6%
1995	1.5	3.2	2.9%
1996	1.0	3.5	2.7%
1997	---	4.6	2.9%
1998	1.0	3.5	1.8%
1999	1.5	3.5	2.0% est.
2000	---	---	2.5% est.

State & Private Sector Entry Level Wage Comparison



RECOMMENDATIONS

NJSI Committee Recommendations included:

- Pay plan include an adequate annual COLA
- Adopt separate pay plans for supervisory and nonsupervisory employees
- Plan for supervisory employees to include pay for performance component

	<i>STEP A</i>	<i>STEP B</i>	<i>STEP C</i>	<i>STEP D</i>	<i>STEP E</i>
<i>Employment Term At Each Step</i>	<i>Entry Level</i>	<i>After 6 Mos.</i>	<i>After 1 year of employment</i>	<i>After 3 years at Step C and "full performance"*</i>	<i>After 4 years at Step D</i>
Total Employment	0-6 mos.	6 mos. – 1 yr.	1 yr. – 4 yrs.	4 yrs. – 8 yrs.	8 yrs. -
Comparison with current pay matrix	Approximates current step 5	Approximates current step 6	Approximates current step 9	Approximates current step 12	Approximates current step 15
<i>Pay increase</i>	<i>Entry Level</i>	<i>Add 2.5% to Step A**</i>	<i>Add 7.5% to Step B</i>	<i>Add 7.5% to Step C</i>	<i>Add 7.5% to Step D</i>
Step Levels under present plan included in this Step	Steps 1-3	Step 4	Step 5-7	Steps 8-11	Steps 12-15

* The “full performance” requirement is intended to place a pay for performance component into this pay plan. Recommendations for evaluating “full performance” will be provided to the Court.

** Granting a 2.5% step increase at six months will be discretionary with no rights to appeal denial of the step increase.

FY 2001 Budget-HB 2027

- Proposal was included in Supreme Court's FY 2001 Budget
- Plan was submitted to 2000 Legislature
- HB 2027 enacted to fund NJSI Plan
- No SGF ; docket fees increase

Pay Plan Phase I Implemented

- Plan implemented July 23, 2000
- Example: TCC II (464.5 FTE) salary increased \$8.06 to \$9.12 per hour
- Court managers believe courts are now attracting qualified job applicants
- Insufficient time to evaluate effect on employee retention

Pay Plan Phase II

- Pay for performance not yet funded
- Senate Ways & Means subcommittee recommended Judicial Council study additional docket fee increases
- NJSI Committee has developed employee evaluation tool—Chief Judges training
- Reclassification nearly completed
- Pay for performance can be implemented when funded

Docket Fee Funding

- To insure employees paid adequate COLA in future years
- Fund pay for performance for court managers/supervisors

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Kansas Judicial Branch

State General Fund

Overview

FY 01	FY 02	FY 02
Budget	Current Services	Governor's Recommendation (includes COLA Rec.)

Salary and Wages	<u>Amount/Turnover %</u>	<u>Amount/Turnover %</u>	<u>Amount/Turnover %</u>
Appellate Courts	\$7,405,301 2.00%	\$7,750,358 0.78%	\$7,592,937 4.25%
Dist. Ct. Judges	\$24,155,570 1.05%	\$24,258,993 1.00%	\$23,878,957 4.25%
Nonjudicial Personnel	\$44,385,102 4.00%	\$47,248,085 1.50%	\$46,736,307 4.25%
Other Operating Exp.	\$1,708,626	\$1,744,141	\$1,419,317

House Committee on Appropriations

Briefing by
Stephen S. Richards, Secretary
Kansas Department of Revenue
January 23, 2001

The Mission of the Kansas Department of Revenue is to administer Kansas laws by providing these key services:

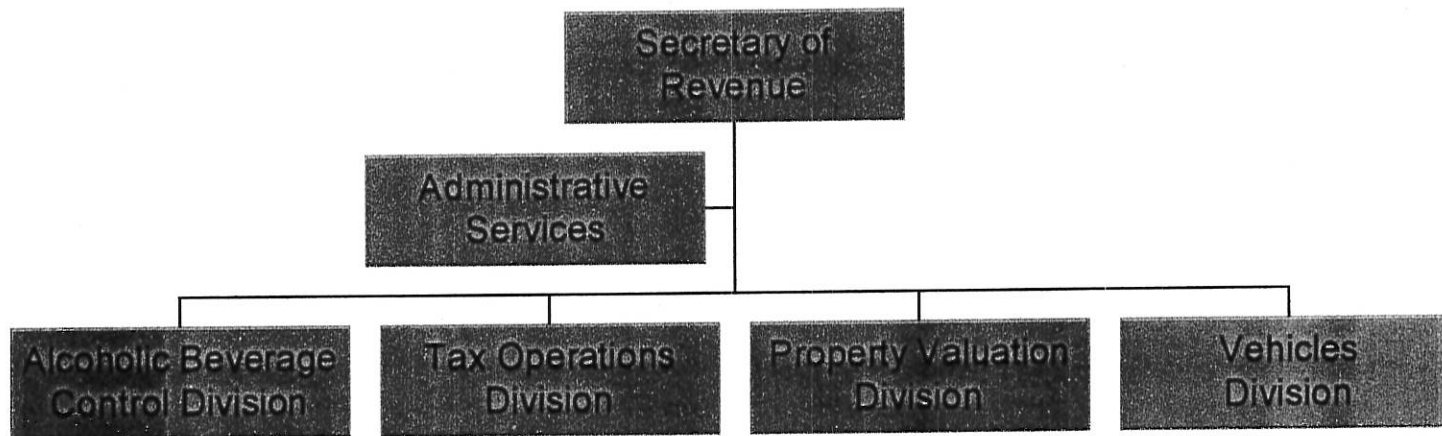
- Facilitate and enable voluntary compliance with tax laws and Alcoholic Beverage Control laws
- Achieve and maintain uniform and equitable property values
- Provide vehicle information and individual customer assistance to ensure public safety
- Research and provide public policy analysis and management information

KDOR Customers

- We serve every Kansan that files a personal tax return
- We serve every Kansas Business
- We serve every Kansan that owns property
- We serve every Kansan that owns a vehicle
- We serve every Kansan that drives a vehicle or rides in a vehicle by ensuring safe drivers
- We serve all Kansans by collecting the funds that are used for state government programs
- We serve city and county governments by collecting funds used for their operations

Kansas Department of Revenue

FY 2001



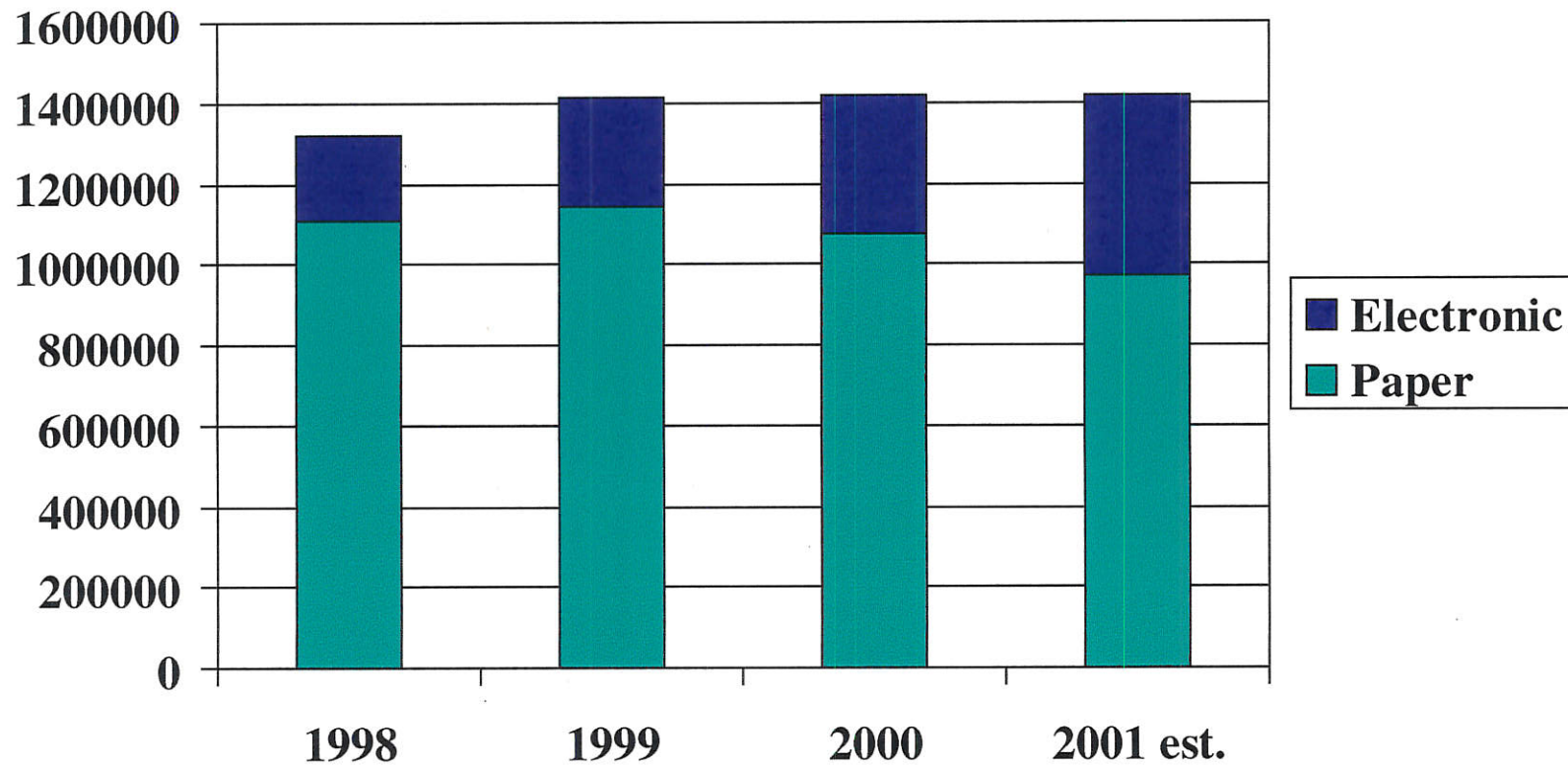
Authorized FTE = 1162

Approved Budget = \$79,547,875

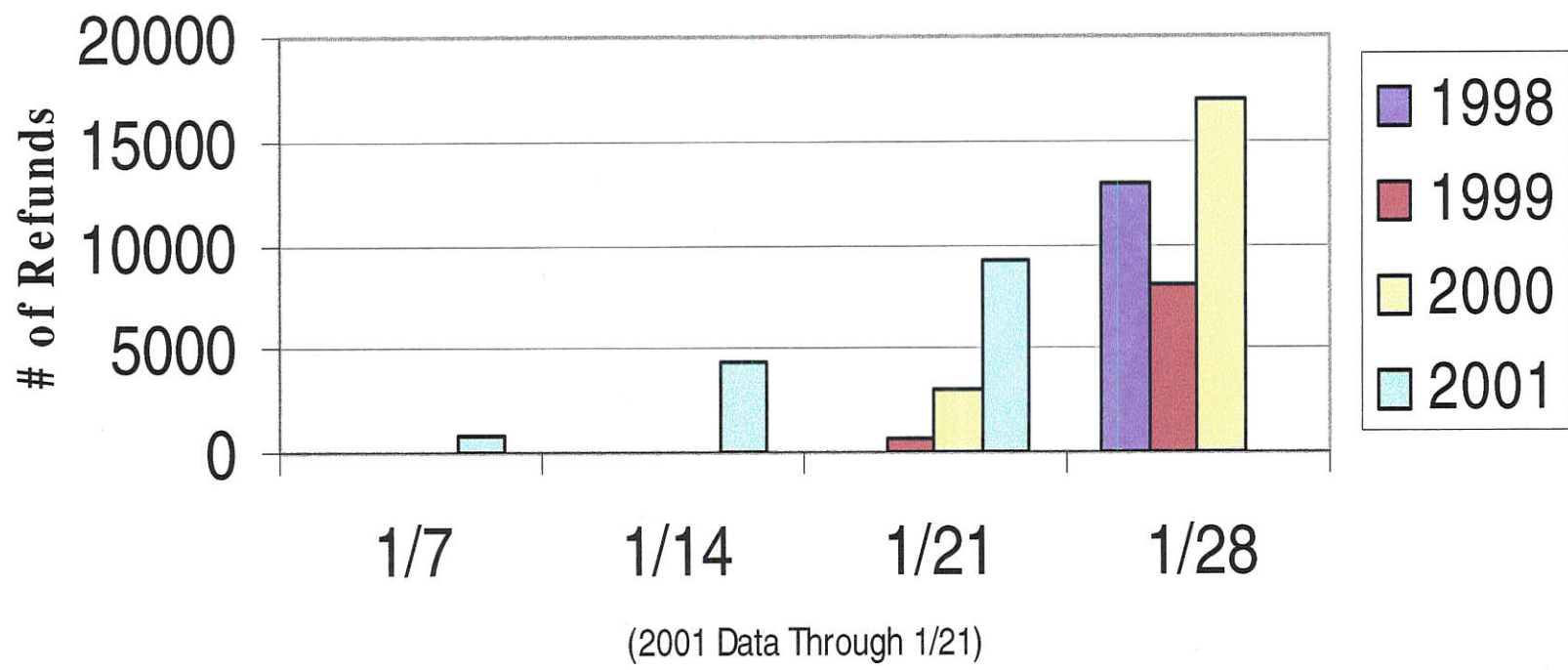
2001 Income Tax Processing Status

- Earliest start in agency history
- First refunds issued January 4
- As of January 22, 13,290 refunds issued for total of \$3,884,026
- Goal for completing error-free refunds is May 1st
- Telephone response rate remains high - 85% of all calls (29,069) answered in January

Individual Income Tax Return Volumes



Refunds Processed by Week



2001 Income Tax Processing Status

Two areas of risk:

- Aging Channel infrastructure: software no longer supported by vendor, key equipment nearing 5 years old, replacement funding not yet identified
- Availability of temp workers to open mail, enter data

Local Sales Tax Distribution

- Converted Sales Tax to new system in October of 1999
- Local portion and fund balances estimated during conversion period, then adjusted to actual
- One-time adjustment from State General Fund and Highway Fund to local funds = \$19,549,884.80

Local Sales Tax Distribution

- Currently undergoing Legislative Post Audit to validate system accounting rules and work procedures
- Working with Local Government Advisory Council to ensure clear communications with City/County officials
- Reviewing KDOR service delivery to focus specifically on needs of Local Government

Homestead Refund Program

- Faster refund processing exhausts available funds prior to end of fiscal year
- In 2000, refunds were stopped on May 24, causing many to wait until after July 1.
- Legislation needed to allow 2002 refunds to be processed as revenue events rather than expenditures
- Supplemental requested to close the 2001 gap, maintain service to customers

Homestead Refund Program

- Recently identified error in current year instructions
- Corrected information provided to agency staff, tax preparers and media
- Internal solution will not require filing of amended returns
- Forms development and approval process under review

Status of 1999 LPA Recommendations

Recommendation	Status
Design, produce and periodically review “exception reports” of account adjustments made by staff	Design and coding of new Security and Activity Tracking System complete – implementation planned after Corporate release in July
Recover erroneous duplicate refunds issued during '99 tax season	All accounts have been resolved
Clean up 1998 income and withholding accounts and bill for balances due	Income billing completed in July, 2000. Withholding activity pending remaining data cleanup
Ensure sufficient data cleanup prior to conversion of Corporate tax to new system	Phase I reports completed, Phase II in progress