

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chairman Kenny Wilk at 9:05 a.m. on March 14, 2001, in Room 514-S of the Capitol.

All members were present except: Representative Phil Kline
Representative Cindy Hermes
Representative Jeff Peterson

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: Janet Schalansky, Secretary of SRS

Others attending: See Attached

Chairman Wilk announced the following:

I hereby open the public hearing on the proposed use and distribution of funds required as a condition of receipt of funding for federal block grant programs administered by the following state agencies: the Department of Health and Environment, the Department of Social and Rehabilitation Services.

Janet Schalansky, Secretary of SRS, presented an overview of the Social Services Block Grant, Block Grant for the Prevention and Treatment of Substance Abuse, the Community mental Health Services Block Grant, the Low Income Energy Assistance Block Grant, and Project for Assistance in Transition from Homelessness Block Grant (Attachment 1).

Dr. Michael Moser, Director of the Division of Health of KDHE, presented an overview of the Preventive Health and Health Services (PH) Block Grant and the Maternal and Child Health Services (MCH) Block Grant (Attachment 2).

Chairman Wilk closed the hearing by announcing:

I hereby close the public hearing on the proposed use and distribution of funds required as a condition of receipt of funding for federal block grant programs administered by the following state agencies: the Department of Health and Environment, the Department of Social and Rehabilitation Services.

Hearing, Discussion, and Action on HB 2543 - Purchasing thresholds requiring bidding for school districts and certain other local governments

Rae Ann Davis, Legislative Research Department, explained this bill which would increase the threshold amount for purchases that would require competitive bidding for certain purchases over \$20,000.

Representative Campbell spoke on behalf of the bill which would assist the school districts and municipalities in their purchasing divisions.

Representative Stone said this was a very worthwhile bill which would benefit many in eliminating a long waiting period in securing bids for small purchases.

Written testimony was received from: Todd Covault, Assistant Superintendent of Business, Emporia US 253 (Attachment 3); Ashley Sherard, Intergovernmental Relations Manager, Office of the County Administrator, Johnson County (Attachment 4); Gary L. Haller, Director of the Johnson County Park and Recreation District (Attachment 5); and Stacey Farmer, Governmental Relations Specialist, Kansas Association of School Boards (Attachment 6).

Representative Spangler moved to report the bill favorably and place it on the Consent Calendar. Motion was seconded by Representative Campbell. Motion carried.

Action on HB 2283– Attorney for board of adult care home administrators appointed by the attorney general

Representative Bethell moved to amend the bill on Line 28 of Page 1 by striking “secretary of health and environment” and inserting “governor” relating to future appointments. Motion was seconded by Representative Neufeld. Motion carried.

The Committee discussed the fiscal note of \$30,000 which would be the approximate personnel costs for having the Attorney General assign staff for this position. Remarks concerning the appropriateness of having an attorney conduct the hearing who works for the agency filing the complaint against the Adult Care facility were made. Removing this amount of money from the KDHE budget and transferring it to the Attorney General’s budget will be discussed during budget discussions. The Committee requested a list of Board Members and their home cities.

Representative Bethell moved to report the bill favorably as amended. Motion was seconded by Representative Neufeld. Motion carried.

Chairman Wilk announced that the following bills would be discussed and acted upon:

HB 2542– Retirement, KPERS, benefits, technical compliance amendments

HB 2538– KPERS, participating employer to certify member contributions upon retirement and responsible for any overpayments

HB 2537 –Appointment of officers and employees by KPERS board

HB 2534 – Procurement requirement for obtaining certain services by KPERS board of trustees

HB 2363– Minimum retirement benefit amount for certain school retirants

HB 2507 – Election for 8% deferred compensation plan for legislative staff agency employees

HB 2523 – Purchase of service credit for certain members of the Kansas police and firemen’s retirement system

Julian Efrid, Legislative Research Department, explained the bills to the Committee.

Action on HB 2542-Retirement, KPERS, benefits, technical compliance amendments

Representative Stone moved to pass the bill favorably. Motion was seconded by Representative Pottorff. Motion carried.

Action on HB 2538 -- KPERS, participating employer to certify member contributions upon retirement and responsible for any overpayments

Representative Stone moved to amend the bill on Page 3, Line 13, by inserting after “employer.” “When an employee in school employment files such an application, the participating employer responsible for any such amounts as provided in this subsection shall be the employee’s eligible employer as specified in subsections (1), (2), or (3) of K.S.A. 74-4931, and amendments thereto, and shall not be the state of Kansas.” (Attachment 7). Motion was seconded by Representative Shriver. Motion carried.

Glenn Deck, Executive Director of KPERS, and Jack Hawn, Deputy Director of KPERS, explained that with 4,000 retirants a year applying for benefits, that there have only been 10-20 errors annually in computation of benefits by the 1,400 employers involved. They did not think that the lower contribution rates were intentional, but were “human errors” caused by the salary reporting data for KPERS only being compiled and submitted annually. If the employee retires between the times of reporting, the additional contribution which should come from the employer is sometimes overlooked. However, this is usually discovered in the next salary reporting period. This proposed legislation would authorize the employer who over-certifies the employee’s retirement benefits to pay the contribution for the non-reported period, and after KPERS approves the certification for certain benefits for the retiree from information obtained from the employer, the retiree would receive the additional unearned benefit from KPERS monthly. The Committee questioned why this error in overpayment would not be deducted from future benefits of the retiree. Under the current statutes, KPERS must contact the retiree, advise them of the error, and adjust future benefits downwards. It was pointed out by KPERS personnel that these amounts are minimal to the KPERS system but can be very distressful to a retiree. The Committee discussed that the employee is not being penalized because the employers makes the contribution based upon the corrected calculations.

Representative Shriver moved to pass the bill favorably as amended. Motion was seconded by Representative Stone. Motion carried. Representative Landwehr asked to be recorded as a “No” vote.

HB 2537 –Appointment of officers and employees by KPERS board

Representative Stone moved to amend the bill on Page 2, Lines 14, 15, and 16 by reinserting the stricken

language and to replace “secretary” throughout the bill with “director.” Motion was seconded by Representative Campbell. Motion carried.

Representative Stone moved that the bill be reported favorably as amended. Motion was seconded by Representative Spangler. Motion carried.

Action on HB 2534 – Procurement requirement for obtaining certain services by KPERS board of trustees

Representative Stone moved to amend the bill by adopting the **Substitute Bill for HB 2534** (Attachment 8). Motion was seconded by Representative Pottorff. Motion carried.

Representative Stone moved to amend Section 4 by changing the effective date to publication in the Kansas Register. Motion was seconded by Representative Pottorff. Motion carried.

Representative Stone moved to report **Substitute Bill for HB 2534** favorably as amended. Motion was seconded by Representative Spangler. Motion carried.

Action on HB 2363– Minimum retirement benefit amount for certain school retirants

Representative Stone moved to amend the bill by inserting on Page 1, Line 15 after “1971,” “and who had at least 20 years or more of service credit,” (Attachment 9). Motion was seconded by Representative Pottorff. Motion carried.

Representative Nichols moved to conceptually amend the bill by inserting the language in **HB 2152** into the bill. Motion was seconded by Representative Stone. Motion carried. Representative Landwehr asked to be recorded as a “No” vote and Representative Spangler asked to be recorded as a “Yes” vote.

This bill would apply to retirants in the 85-95 year age bracket.

Representative Stone moved that the bill be reported favorably as amended. Motion was seconded by Representative Spangler. Motion carried. Representative Landwehr asked to be recorded as a “No” vote.

The minutes of the February 14 and March 9 meeting were approved as corrected.

The meeting was adjourned at 11:00 p.m. The next meeting is scheduled for March 15, 2001.

Kansas Department of Social and Rehabilitation Services
Janet Schalansky, Secretary



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915 SW Harrison, 6th Floor North
Topeka, Kansas 66612-1570

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House Appropriations Committee
March 14, 2001 9:00 AM
Room 514-S

FY 2002 Federal Block Grants

Operations
Secretary Janet Schalansky

HOUSE APPROPRIATIONS

DATE 3/14/01
ATTACHMENT #1

**Kansas Department of Social and Rehabilitation Services
Janet Schalansky, Secretary**

House Appropriations Committee
March 14, 2001 9:00 AM

FY 2002 Federal Block Grants

Mr. Chairman and members of the Committee, thank you for holding this federally required hearing and the opportunity to provide you information on the Federal Block Grant programs administered by the Department of Social and Rehabilitation Services.

Included is summary information on the following individual federal block grant programs:

Federal Block Grant Program	FY 2002 GBR Amount
Social Services Block Grant (SSBG)	\$ 22,955,113
Block Grant for the Prevention and Treatment of Substance Abuse	11,187,114
Community Mental Health Services Block Grant	2,762,568
Low Income Energy Assistance Block Grant (LIEAP)	9,155,802
Projects for Assistance in Transition from Homelessness Block Grant (PATH)	300,000
Total	\$ 46,360,597

The total amount of federal dollars appropriated for these block grant programs is over \$46 million in FY 2002, if not otherwise adjusted by Congress. Our total federal funding, in all programs, is nearly \$996 million. These block grants account for less than five percent of our federal funding.

SOCIAL SERVICES BLOCK GRANT

The Department of Social and Rehabilitation Services formulates and carries out a program of social services designed to *protect children and promote adult self sufficiency*. The Social Services Block Grant supports these services. This is the twenty-first year of the social services block grant program.

Individual eligibility for social service block grant funding is based on two criteria: 1) personal need; and 2) financial need. Personal need is based on one of the five national goals: 1) helping individuals to become economically self-supporting; 2) helping individuals to reduce dependency and become self-sufficient; 3) providing protective services for those in need (regardless of income); 4) providing services to help persons to remain in their own homes; and 5) when no other alternatives exist, providing services to help persons receive the most appropriate institutional care (i.e., adult care homes, state institutions, private institutions, etc.).

Financial need is based upon an individual's income. The state's established maximum income level for SSBG is 185 percent of the federally established poverty guideline. A single individual may not have a gross income exceeding \$1,287 per month. This scale is graduated upward according to family size.

For FY 2002, the Kansas Social Service Block Grant Program is budgeted to use \$22,955,113. The estimated expenditures are as follows:

Services	FY 2002 Estimate
Child Care Services	\$ 477,045
Community Supports and Services	7,723,988
Mental Health Services	2,934,316
Child Welfare - Adoption Services	7,379,614
Adult Protective Services	164,062
Field Operations	4,276,088
Total	\$ 22,955,113

Totals include the TANF transfer of \$10.1 million and carryover from previous fiscal years.

The social services block grant funds will continue to be used on a statewide basis to purchase services, to fund direct grants, and to provide direct services by SRS employees.

The Kansas social services block grant plan will be presented at the SRS Open Meeting May 8, 2001 and a thirty day public comment period will precede this meeting. The plan will be adopted by the Secretary of SRS at the May 8th meeting and submitted to the federal government by June 1, 2001.

1-3

BLOCK GRANT FOR THE PREVENTION AND TREATMENT OF SUBSTANCE ABUSE

The Block Grant for the Prevention and Treatment of Substance Abuse is authorized by Public Law 102-321. The GBR for use of this Block Grant is \$11,187,114. The funds will be utilized as indicated below:

Services	FY 2002 GBR Amount
Administration	\$ 380,079
Substance Abuse Prevention Services	2,512,032
Substance Abuse Treatment Services	8,295,003
TOTAL	\$ 11,187,114

In our prevention efforts, SRS utilizes a regional approach. Within each of the regions, or SRS Management Areas, high risk data concerning families, youth, and schools is used to target prevention services to communities with high risk factors for substance abuse.

Our treatment approach is to fund programs that provide the least restrictive environment for recovery from alcohol and other drug addictions. The use of five regional assessment centers to accurately assess the level of care needed for each client is allowing the client to receive the most appropriate and cost effective form of treatment available to the majority of Kansans. Priority populations served are pregnant women, women with children, anyone who has been exposed to or is at high risk for TB and/or HIV, and lastly, those who would not be able to afford treatment otherwise. While clinically sound treatment for all who seek those services is our goal, we also place great emphasis on treatment outcomes and improvement in the delivery system. Treatment services funded by the Block Grant for the Prevention and Treatment of Substance Abuse are projected to provide services for over 13,000 persons who seek treatment. In addition, our prevention centers are projected to reach over one million persons during FY 2002.

COMMUNITY MENTAL HEALTH SERVICES BLOCK GRANT

For FY 2002 Mental Health/Substance Abuse Treatment and Recovery (MHSATR) is budgeted to expend \$2,762,568 under this grant.

Less than 5 percent of these funds is allocated to the central office administration. The balance of \$2,650,487 is distributed via a performance based system of contracting to the 27 Community Mental Health Centers(CMHCs).

CMHCs funded under these contracts provide an organized and comprehensive community-based system of supports and services for individuals with severe and persistent mental illness and for children with serious emotional disturbances. CMHCs have a combined staff of over 2,000 and provide mental health services to every county in the state. These independent and locally-operated centers foster a quality system of services for the benefit of citizens needing mental health care and treatment.

An array of services based on an individual's strengths and needs are provided. Basic services provided are outpatient, 24-hour emergency services, consultation and education, screening and aftercare. These services are complemented by a variety of specialized services for targeted populations. Services provided to persons with severe and persistent mental illness include:

- Attendant Care
- Respite Care
- In-Home Family Therapy
- Drop-In Services for persons with severe and persistent mental illness
- Vocational Services for persons with severe and persistent mental illness
- Homeless Projects
- Preschool Day Treatment Programs
- Children's Day Hospital
- Parent Education Classes
- Assertive Outreach
- Case Management
- Psycho social Rehabilitation

LOW INCOME ENERGY ASSISTANCE PROGRAM (LIEAP) BLOCK GRANT

The federally funded Low Income Home Energy Assistance Program (LIEAP) Block Grant helps households pay energy costs. The 2002 Kansas allocation is \$9.2 million. Assuming stable funding, SRS proposes continuing grant utilization in the following manner:

1. Energy Assistance (85 percent of the grant) - Utility or fuel assistance is provided to qualifying households whose income is under 130 percent of poverty. For a one-person household, the income limit is \$905 monthly. Last year, the average income of one-person recipient households was \$536 monthly, or 77 percent of the poverty level. At this level, households typically have difficulty paying for basic living costs such as housing, fuel, utilities, food, and medicine. Their vulnerability is worsened by medical conditions, disabilities and other problems. Most LIEAP recipients are older persons with "low-end" Social Security benefits, single parent families living on the minimum wage, or disabled individuals.

As a condition of eligibility, applicants must also demonstrate recent utility payments. This state-added requirement emphasizes the household's responsibility for paying its own fuel costs, promotes and importance of maintaining a regular payment history, and provides positive reinforcement. By supplementing the household's own payments, LIEAP helps elderly and disabled persons continue to stay in their homes, and protects vulnerable families who are at risk.

Applications are mailed to targeted groups of individuals who may need assistance. Completed applications may be mailed without need to visit the SRS Office. About 300 volunteer organizations help distribute outreach information to households who are unaware of the assistance.

SRS verifies income by accessing data bases e.g., Social Security, workman's compensation and other systems.

Once the household is determined eligible, benefits are applied to the household's fuel or utility account to ensure that the benefit is used for energy purchases. Benefit levels vary according to household income and size, fuel type, dwelling type, and the household's utility rates. The recipient may split the benefit between two vendors (e.g., natural gas, electric, propane, or wood vendors).

About 31,000 households are expected to receive assistance in 2001 with a projected annual benefit averaging \$516.

2. Weatherization Assistance (15 percent of the grant) - Federal regulations allow States to use up to 15 percent of the LIEAP grant for weatherization improvements. If funding permits, the Department proposes transferring the maximum allowed level (estimated at \$1,373,370) to the Department of Commerce and Housing to supplement the Weatherization Program.

BLOCK GRANT FOR PROJECTS FOR ASSISTANCE IN TRANSITION FROM HOMELESSNESS (PATH)

Kansas is a minimum allotment state under this federal formula grant program. Three hundred thousand dollars has been received each year since 1993.

All funds are distributed to homeless programs at five mental health centers. The current allocations are as follows:

Program	FY 2001 GBR Amount
Shawnee CMHC	\$ 80,000
ComCare	95,306
Wyandotte CMHC	70,094
Bert Nash MHC	26,600
Franklin County MHC	28,000
TOTAL	\$ 300,000

SHAWNEE County CMHC, COMCARE (Sedgwick County), WYANDOTTE County CMHC: PATH block grant funds at these centers allow staff to provide outreach and case management services to persons who are homeless and mentally ill. Case managers help people secure transitional and permanent housing, health services, and mental health and substance abuse services in appropriate cases.

FRANKLIN County CMHC, BERT NASH (Douglas County): Both of these centers provide outreach case management and work to link homeless persons with health, mental health and substance abuse services. Case management assists persons with transitional and permanent housing and vocational services.

1-7



KANSAS
DEPARTMENT OF HEALTH & ENVIRONMENT
BILL GRAVES, GOVERNOR
Clyde D. Graeber, Secretary

Testimony on
PREVENTIVE HEALTH AND HEALTH SERVICES BLOCK GRANT
MATERNAL AND CHILD HEALTH SERVICES BLOCK GRANT
to
HOUSE APPROPRIATIONS COMMITTEE

Presented by: Michael Moser, MD, MPH
Director, Division of Health

March 14, 2001

Chairperson Wilk and members of the House Appropriations Committee, I am pleased to appear before you today to discuss the Preventive Health and Health Services Block Grant and the Maternal and Child Health Services Block Grant.

In the early 1980's, a number of federal block grant programs were initiated which consolidated funding from numerous categorical programs into larger "blocks". The policy justification for this action was to provide states with greater flexibility in administering these federal funds. The Kansas Department of Health and Environment is the recipient agency for two federal block grants, the Preventive Health and Health Services Block Grant (PH) and the Maternal and Child Health Services Block Grant (MCH). By federal regulation, an annual public hearing is required for both Block grants. Today's hearing is intended to satisfy this requirement for public review and comment.

The Preventive Health and Health Services (PH) Block Grant

This block grant is intended to support preventive health programs and services that address **preventable** health problems that contribute to the state's leading causes of premature death and disability, and that are consistent with the Year 2000/2010 Health Objectives for the nation. The 1992 amendments to Title XIX, Part A, of the Public Health Service Act significantly changed both the application process and reporting requirements for the PH block grant. Among other changes, states became more accountable for consistency of PH funded activities with the National Health Objectives. Beginning with its fiscal year 1993 PH application, KDHE responded to the new requirements by:

1. Coordinating a process to identify preventable health priorities for Kansas that are compatible with national priorities. The initial Healthy Kansans Planning process identified seven (7) priority health areas for Kansas and included identification of populations with special and disproportionate needs;

2. Providing detailed descriptions of the activities that are funded with the PH block grant, with estimates of the number of individuals to be served;
3. Establishing a state Preventive Health Advisory Committee, as stipulated in federal rules. These rules specify that the committee is to be chaired by the state health officer and make recommendations regarding development and implementation of the state's PH plan;
4. Establishing an ongoing process for public review and comment;
5. Establishing activities to measure progress in meeting the state preventive health objectives, including development of the necessary epidemiologic systems to comply with required reporting requirements and ongoing assessment of specified health outcomes and health related knowledge, beliefs, and behaviors.

The revised PH law stipulates that the federal block grant funds be used to supplement and increase the level of state, local and other non-federal funds devoted to preventive health activities; supplantation of non-federal funds with federal PH funds is prohibited. State expenditures for the selected health activities are to be maintained at a level that is not less than the average level of the two years preceding the fiscal year for which federal funds to supplement that activity are requested.

Section 1904 of the revised law stipulates that funds may be used for the following:

- Activities consistent with making progress toward achieving the Year 2000 Health Objectives for the health status of the population;
- Preventive health service programs for the control of rodents and for community and school based fluoridation programs;
- Feasibility studies and planning for emergency medical services systems and the establishment, expansion, and improvement of such systems;
- Providing services to victims of sex offenses and for prevention of sex offenses;
- Program activities related to planning, administration and education, including evaluation of the Year 2000 Health Objectives addressed in the state plan.

A state may not use the PH funds to :

- a) Provide inpatient services;
- b) Make cash payments to intended recipients of health services;
- c) Purchase or improve land, purchase, construct, or permanently improve any building or other facility, or purchase major medical equipment;
- d) Satisfy any requirement for the expenditure of non-federal funds as a condition for the receipt of federal funds; or,
- e) Provide financial assistance to any entity other than a public or non-profit private entity.

The Maternal and Child Health Services (MCH) Block Grant

This block grant (Title V of the Social Security Act) supports activities to promote and improve the health of all Kansas mothers and children. As the recipient agency for these funds, KDHE's role is to provide leadership and to work in partnership with communities, public-private partners, and families to strengthen the maternal and child health (MCH) infrastructure, assure the availability and use of "medical homes", and build knowledge and human resources in order to assure continued improvement in the health, safety, and well-being of the maternal and child health population. The MCH population includes all Kansas women of reproductive age, infants, children, adolescents, and their families including fathers. Programs for children with special health care needs are specifically identified as part of the MCH block grant scope. Funds are allocated to Kansas through the national MCH block grant formula. In recent years, enhanced planning and reporting requirements have been implemented in order to improve accountability for these funds.

MCH Block Grant rules require that every five years each recipient State must conduct an assessment of State maternal and child health needs. There are detailed requirements concerning the conduct of the state needs assessment. Based on this detailed review of data from multiple sources, the State must specify between 7 and 10 priority needs. Kansas completed its five year needs assessment in July, 2000. The priority Kansas maternal and child health needs identified through this process were:

1. Improve access to all aspects of primary care for vulnerable populations.
2. Improve access to all aspects of health care for children with special health care needs.
3. Reduce demographic and geographic health disparities.
4. Increase data infrastructure, epidemiological capacity, and products of analyses for improved state and community problem solving.
5. Reduce unintentional injuries
6. Reduce intentional injuries
7. Increase proper nutrition and physical activity, particularly among children and adolescents
8. Develop oral health infrastructure
9. Develop behavioral health infrastructure
10. Improve systems coordination and remove barriers caused by categorical programs and funding.

During the next five years, allocation of resources from the Kansas MCH block grant must reflect these priorities. To facilitate a better response, KDHE has reduced categorical barriers to use of available resources through consolidation of a number of funding streams into local MCH block grants to local agencies. Local agencies utilize state needs assessment data and other data to prioritize their own needs. Funds may be spent for local priority maternal and child health needs. Reporting is structured to retain accountability while providing flexibility for communities.

DESCRIPTION OF SERVICES TO BE FUNDED IN FY 2001

A. Aid to Local Agencies:

MCH and PH - *Maternal and Child Health Grants* - All 105 Kansas counties provide maternal and child health services to optimize the health of Kansas families, in particular for uninsured families and those with limited access to care. Counties must provide comprehensive services by coordinating with all available community resources. Based on a community health assessment, counties provide services, including prenatal care coordination (M&I), home visiting (Healthy Start), child health, and others. Up to 30 percent of the funding is flexible to be used on these and other locally identified MCH priorities.

PH - *Chronic Disease Risk Reduction Grants* - Grants are awarded to support development and implementation of community-based programs to decrease premature death and disability due to cancer and cardiovascular disease, the two leading causes of death in Kansas. Program interventions are designed to decrease the leading modifiable risk factors for cancer and cardiovascular disease, including tobacco use, physical inactivity, and nutrition. Currently, 45 counties, representing almost 80 percent of the state's population are included in the program. Interventions are delivered through schools, work sites, churches, community organizations and other community settings.

MCH - *School Health Service Grants* - Partial support of three local projects provide comprehensive school health services including preventive and primary care in the school setting.

MCH and PH - *Teen Pregnancy Prevention* - Both block grants provide partial support for four (4) Teen Pregnancy Prevention Projects utilizing the South Carolina model of school and community education.

A. Aid to Local Agencies (continued):

MCH - *Wichita Year 2010 Disparities Project* - provides funds for activities in this project focused on reduction and/or elimination of disparities in infant mortality rates between racial and ethnic groups through the "developmental assets model", including mentoring, role model/imaging, and family preservation.

PH - *Special Prevention Initiatives* - These are locally based programs funded in response to identified need. This year, funds will be awarded to Pittsburg State University for facilitation of a statewide initiative to promote physical activity and to the Center for Health and Wellness for the Black Churches Hypertension/Cholesterol reduction project in Sedgwick County.

MCH - *School Health Assessments* - Partial reimbursement to local health departments and community health centers for school entry assessments.

MCH - *Immunization* - Supplementation of local funding for immunization initiatives.

B. Transfers of Funding to Other State Agencies:

PH - *Rape Prevention Education* - A substantial portion of PH funding to Kansas is designated, per federal mandate, for rape prevention education programming and is transferred to the Kansas Attorney General's Office to be used for local programs. The allocation to Kansas is used exclusively for rape prevention education, as stipulated via the authorizing legislation.

MCH & PH - *Health Information* - funds from both block grants are transferred to Kansas State University to support a portion of the operating expenses for the Kansas Public Health and Environment Information Library (KPHEIL).

C. State Operations:

MCH - *Center for Health and Environmental Statistics* - Support for a portion of the salaries and operating expenses of the State Center for Health and Environmental Statistics

MCH and PH - *Local Health Department Support Services* - Support for a portion of the salaries and operating expenses in the Office of Local and Rural Health maintaining support services for local health departments. Such services include but are not limited to consultation, education and technical assistance provided by community nurse/public health specialists for maternal and child health and risk reduction/health promotion activities.

C. State Operations (continued):

PH - *Medical Epidemiology Services* - Support for a portion of salary and operating expenses in the Bureau of Epidemiology and Disease Prevention.

MCH - *Child Care Regulation* - support for a portion of operating expenses for the Child Care Facilities Licensure and Registration program.

MCH - *Children with Special Health Care Needs* - Support for salaries and operating expenses in Services for Children with Special Health Care Needs Section, including payments to health care providers for medical specialty services for children with disabling conditions.

MCH - *Nutrition* - supports nutrition consultation to MCH programs.

MCH - *Compliance Monitoring* - Portion of salaries and operating expenses for Children and Families Section to provide clinical and administrative oversight of local agency contractual compliance in providing maternal and child health services.

PH - *Disease Prevention and Health Promotion* - Portion of operating expenses for Bureau for Health Promotion (BHP). BHP staff play a key role in assessing the current chronic disease burden and in facilitating consensus development of statewide goals and strategies to alleviate that burden

in Kansas. These staff are currently facilitating a statewide comprehensive *cancer* planning process which will better position Kansas to compete for federal resources in this area. BHP provides staff support for the activities of the Kansas SAFEKIDS Coalition, a private/public partnership leading efforts to decrease *injuries*, the leading cause of death among children in Kansas. PH block grant funds are the sole support of state public health activity for prevention of cardiovascular disease, the leading cause of death among adult Kansans.

In summary, the Preventive Health Services Block Grant and the Maternal and Child Health Block Grant are utilize federal funds to supplement state resources and fill critical gaps in responding to the public health needs of the people of Kansas. Funds from both grants are allocated on the basis of careful assessment of needs and with broad input from professional and community organizations.

Thank you for the opportunity to appear before you today. I have asked KDHE staff who have detailed knowledge of these block grants to be in attendance today. If you have any questions, we will do our best to answer them.

Adult Basic Education
526 Congress
316-341-2253

Alternative School
315 S. Market
316-341-2252

Butcher Children's School
1200 Commercial
316-341-5301

Campus Center
620 Constitution
316-341-2390

Emporia High School
3302 W. 18th
316-341-2365

Emporia Middle School
2300 Graphic Arts
316-341-2335

Flint Hills Special
Education Cooperative
216 W. 6th
316-341-2325

Flint Hills Technical College
3301 W. 18th
316-341-2300

Head Start Center
315 S. Market
316-341-2260

Logan Avenue Elementary
521 S. East
316-341-2264

Lowther North
Intermediate School
216 W. 6th
316-341-2350

Lowther South
Intermediate School
215 W. 6th
316-341-2400

Mary Herbert Elementary
1700 W. 7th
316-341-2270

Maynard Elementary
19 Constitution
316-341-2276

Stanton Street
Early Childhood Center
1211 Stanton
316-341-2254

Village Elementary
2302 W. 15th
316-341-2282

Walnut Elementary
801 Grove
316-341-2288

William Allen
White Elementary
902 Exchange
316-341-2294

March 13, 2001

Chairperson Wilk and members of the Appropriations Committee:

Thank you for this opportunity to provide testimony in favor of House Bill 2543.

The current \$10,000 limit for purchases under KSA 72-6760 was last changed during the 1986 session. I have also enclosed Senate Bill #563 (see pink attachment) from the 1986 session for your review.

I have also enclosed a copy of the consumer price index (see yellow attachment). In July of 1986, when the above limit was last changed, the CPI was 109.5. In December of 2000, the CPI was 174.0. This is an inflationary increase of approximately 60% since 1986 when the bid limit was last changed.

The Emporia School District uses a formal three-step process to bid projects in accordance to KSA 72-6760.

1. Emporia Board of Education formally authorizes the business office to let bids on the specific project or item.
2. Business office develops bid parameters and solicits bids from relevant vendors.
3. Emporia Board of Education accepts the lowest responsible bid as recommended by the business office.

As you can see from the above steps, all bids require a minimum of two board meetings. Due to this process, it is difficult for the district to act quickly. In some months when the Board meets a single time, it may take up to eight weeks to secure competitive bids. This process is appropriate for substantial projects as it ensures that tax dollars are spent in a prudent manner. However, if the project is relatively small, this extended process causes undue hardships.

I feel that \$20,000 is an appropriate level for the state to require formal bids and support House Bill 2543. I furthermore remind the committee that it is within the power of the local governing entity to further restricts this amount through local policies if deemed necessary.

Thank you in advance for allowing me this opportunity to provide this favorable testimony on House Bill 2543. I look forward to your support on this most important legislation.

Sincerely,



Todd Covault
Assistant Superintendent - Business

HOUSE APPROPRIATIONS

DATE 3/14/01
ATTACHMENT # 3

[As Amended by House Committee of the Whole]

As Amended by House Committee

As Amended by Senate Committee

Session of 1986

SENATE BILL No. 563

By Senator F. Kerr, Allen, Anderson, Harder, Karr,
Langworthy, Montgomery and Parrish

2-5

0025 AN ACT concerning school districts; providing for exemptions
0026 from competitive bidding requirements for certain purchases;
0027 amending K.S.A. 72-6760 and repealing the existing section.

0028 *Be it enacted by the Legislature of the State of Kansas:*

0029 Section 1. K.S.A. 72-6760 is hereby amended to read as fol-
0030 lows: 72-6760. (a) No ~~expenditures~~ expenditure involving an
0031 amount greater than ~~\$5,000~~ \$10,000 for construction or the pur-
0032 chase of materials, goods or wares shall be made by the board of
0033 education of any school district except upon sealed proposals,
0034 and to the lowest responsible bidder.

0035 (b) The provisions of subsection (a) ~~shall~~ do not apply to
0036 expenditures for the purchase of:

0037 (1) Products required to be made by the board of education
0038 purchased under the provisions of K.S.A. 75-3317 to 75-3322,
0039 inclusive, and amendments thereto;

0040 (2) educational materials directly related to curriculum and
0041 secured by copyright; and

0042 (3) motor fuels required to provide or furnish transportation
0043 under the provisions of article 33 of chapter 72 of Kansas
0044 Statutes Annotated; and

0045 (4) perishable foods and foodstuffs required for operation of
0046 a school lunch program.

0047 (c) Whenever the board of education of any school district
0048 lets bids for the purchase of materials, goods or wares and bids
0049 are submitted by bidders domiciled within the school district

Capital Outlay

3-2

CONSUMER PRICE INDEX

ALL URBAN CONSUMERS (1982-1984 = 100)
Source: U.S. Bureau of Labor Statistics

To figure the percentage increase between any two months: Subtract the index for the earlier month from that of the later month. Divide that number by the index for the earlier month. And then multiply by 100 by moving the decimal two places to the right.

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Dec. - Dec. Increase	
1980	77.8	78.9	80.1	81.0	81.8	82.7	82.7	82.7	83.3	84.0	84.8	85.5	86.3	12.5%
1981	87.0	87.9	88.5	89.1	89.8	90.6	91.6	92.3	93.2	93.4	93.7	94.0	94.0	8.9%
1982	94.3	94.6	94.5	94.9	95.8	97.0	97.5	97.7	97.9	98.2	98.0	97.6	97.6	3.8%
1983	97.8	97.9	97.9	98.6	99.2	99.5	99.9	100.2	100.7	101.0	101.2	101.3	101.3	3.8%
1984	101.9	102.4	102.6	103.1	103.4	103.7	104.1	104.5	105.0	105.3	105.3	105.3	105.3	3.9%
1985	105.5	106.0	106.4	106.9	107.3	107.6	107.8	108.0	108.3	108.7	109.0	109.3	109.3	3.8%
1986	109.6	109.3	108.8	108.6	108.9	109.5	109.5	109.7	110.2	110.3	110.4	110.5	110.5	1.1%
1987	111.2	111.6	112.1	112.7	113.1	113.5	113.8	114.4	115.0	115.3	115.4	115.4	115.4	4.4%
1988	115.7	116.0	116.5	117.1	117.5	118.0	118.5	119.0	119.8	120.2	120.3	120.5	120.5	4.4%
1989	121.1	121.6	122.3	123.1	123.8	124.1	124.4	124.6	125.0	125.6	125.9	126.1	126.1	4.6%
1990	127.4	128.0	128.7	128.9	129.2	129.9	130.4	131.6	132.7	133.5	133.8	133.8	133.8	6.1%
1991	134.6	134.8	135.0	135.2	135.6	136.0	136.2	136.6	137.2	137.4	137.8	137.9	137.9	3.1%
1992	138.1	138.6	139.3	139.5	139.7	140.2	140.5	140.9	141.3	141.8	142.0	141.9	141.9	2.9%
1993	142.6	143.1	143.6	144.0	144.2	144.4	144.4	144.8	145.1	145.7	145.8	145.8	145.8	2.7%
1994	146.2	146.7	147.2	147.4	147.5	148.0	148.4	149.0	149.4	149.5	149.7	149.7	149.7	2.7%
1995	150.3	150.9	151.4	151.9	152.2	152.5	152.5	152.9	153.2	153.7	153.6	153.5	153.5	2.5%
1996	154.4	154.9	155.7	156.3	156.6	156.7	157.0	157.3	157.8	158.3	158.6	158.6	158.6	3.3%
1997	159.1	159.6	160.0	160.2	160.1	160.3	160.5	160.8	161.2	161.6	161.5	161.3	161.3	1.7%
1998	161.6	161.9	162.2	162.5	162.8	163.0	163.2	163.4	163.6	164.0	164.0	163.9	163.9	1.6%
1999	164.3	164.5	165.0	166.2	166.2	166.2	166.7	167.1	167.9	168.2	168.3	168.3	168.3	2.7%
2000	168.8	169.8	171.2	171.3	171.5	172.4	172.8	172.8	173.7	174.0	174.1	174.0	174.0	3.4%

Sent to you courtesy of

THE KIPLINGER LETTER

The Kiplinger Washington Editors

1729 H St., NW, Washington DC 20006-3938
Phone 202-887-6462 Fax 202-778-8976



Johnson County, Kansas

OFFICE OF THE COUNTY ADMINISTRATOR

To: The Honorable Kenny Wilk, Chairman
Members, House Appropriations Committee

From: Ashley Sherard
Intergovernmental Relations Manager

Date: March 14, 2001

Subject: Support for HB 2543 – Purchasing Procedures for Certain
Municipalities

I would like to express the Johnson County Commission's support for HB 2543, which would increase to \$20,000 the threshold below which small or emergency purchases may be made on the open market. All purchases exceeding \$20,000 would still be required to be competitively bid.

HB 2543 would provide the County additional flexibility in its purchasing procedures. This additional flexibility may ultimately save time, money, and staff resources, all of which facilitate more effective and efficient local government.

The bill's language is permissive and purchases for less than \$20,000 may still be bid if it makes sense from a competitive standpoint. The County may also continue to maintain its own internal purchasing procedures and standards. HB 2543, however, would provide additional opportunities to make cost-effective choices.

Because HB 2543 promotes local authority and provides certain municipalities with additional flexibility and discretion in their purchasing procedures, the Johnson County Commission respectfully urges you to support HB 2543. Thank you for your time and consideration.

HOUSE APPROPRIATIONS

DATE 3/14/01
ATTACHMENT # 4



SHAWNEE MISSION
PARK OFFICES

7900 Renner Road
Shawnee Mission, KS
66219-9723

Voice (913) 438-7275
TDD (913) 831-3342
Fax (913) 492-7275

WRITTEN TESTIMONY

to
KANSAS HOUSE OF REPRESENTATIVES
APPROPRIATION COMMITTEE
KENNY WILK, CHAIRPERSON

by
Gary L. Haller, Director
Johnson County Park and Recreation District
March 14, 2001

2001 BOARD OF
PARK & RECREATION
COMMISSIONERS

Craig T. Kenworthy
Chair

Dr. Mike Jurkovich

Marcia Rinehart

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Vickie Truitt

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Dr. Marvin E. Wollen

DIRECTOR

Gary L. Haller

NATIONALLY
ACCREDITED



HOUSE BILL 2543

Honorable Chairperson Wilk and Committee Members:

This written testimony is in support of HB 2543 relating to purchasing procedures for certain municipalities and the Johnson County Park and Recreation District. The bill raises the limit for emergency purchases or small purchases up to \$20,000 on the basis of competitive bids obtained by the purchasing officer for supplies and equipment.

Currently the Johnson County Park and Recreation District's limitation is \$10,000, as stated in K.S.A. 19-2881. The House Local Government and Elections Committee approved HB 2119, which was approved by the House 125-0 to change the bidding procedures of the District. The Senate Elections & Local Government Committee has amended HB 2119 to increase the bid limitation level to \$20,000, which is in concert with the limitation expressed in HB 2543. HB 2543 is supported by the Johnson County Park and Recreation District Board and the Board of County Commissioners of Johnson County.

Your favorable consideration in the approval of HB 2543 is appreciated.

KANSAS
ASSOCIATION



OF
SCHOOL
BOARDS

1420 SW Arrowhead Road • Topeka, Kansas 66604-4024
785-273-3600

TO: House Appropriations Committee
FROM: Stacey Farmer
Governmental Relations Specialist
Kansas Association of School Boards

RE: Written Testimony on **HB 2543**

March 14, 2001

Thank you for the opportunity to comment on HB 2543. This bill would simply increase the threshold amount for purchases that would require the competitive bidding process to those purchases over \$20,000. Historically the legislature raises this threshold periodically to recognize the fact that costs have risen.

KASB supports this measure because we believe it would increase flexibility for local school districts within this process. The competitive bidding process is lengthy and time consuming, this bill would allow local school boards to decide whether it would be beneficial to the district to bid purchases under \$20,000 or not.

Thank you for your consideration and we urge your support for this bill.

HOUSE APPROPRIATIONS

DATE 3/14/01
ATTACHMENT #6

HOUSE BILL No. 2538

By Committee on Appropriations

2-21

Proposed Subcommittee Amendments
to HB No. 2538

HOUSE APPROPRIATIONS

DATE 3/14/01
ATTACHMENT # 87

9 AN ACT; concerning retirement and benefits; relating to the Kansas
10 public employees retirement system; employer certification of mem-
11 bers contributions; amending K.S.A. 2000 Supp. 74-4915 and repeal-
12 ing the existing section.
13

14 *Be it enacted by the Legislature of the State of Kansas:*

15 Section 1. K.S.A. 2000 Supp. 74-4915 is hereby amended to read as
16 follows: 74-4915. (1) Any member who retires on or after such member's
17 normal retirement date shall be entitled to receive an annual retirement
18 benefit equal to the sum obtained by adding an amount for participating
19 service and an amount for prior service determined as provided in this
20 section. The amount for prior service shall be equal to 1% of the mem-
21 ber's prior service annual salary multiplied by the number of years of
22 prior service entitled to credit as provided in K.S.A. 74-4913 and amend-
23 ments thereto, except that for members retiring on or after July 1, 1981,
24 who were last employed by a participating employer which had affiliated
25 with the system under K.S.A. 74-4910, 74-4912, 74-4929 or 74-4991 and
26 amendments thereto, and for the period commencing January 1, 1986,
27 for members retiring before July 1, 1981, who were last employed by a
28 participating employer which had affiliated with the system under K.S.A.
29 74-4910, 74-4912, 74-4929 or 74-4991 and amendments thereto, except
30 that any increase in benefits under this section shall be reduced by any
31 postretirement benefit adjustments received by such member prior to
32 July 2, 1985, the amount for prior service shall be calculated using final
33 average salary in lieu of prior service annual salary and, in the case of any
34 such member who became a member under subsection (3) of K.S.A. 74-
35 4925 and amendments thereto and for whom a final average salary cannot
36 be otherwise determined, such member's final average salary shall be
37 based on all service for which such member received assistance in a plan
38 under subsection (2) of K.S.A. 74-4925 and amendments thereto as cer-
39 tified by such employer upon request of the board. For any member who
40 retires on or after July 1, 1993, the amount for participating service shall
41 be equal to the total of 1.75% of the member's final average salary mul-
42 tiplied by the number of years of participating service.

43 (2) (A) Any member who retires on or after July 1, 1993, but before

7-2
§ 8

1 the normal retirement date and has attained age 60 but has not attained
2 age 62 with the completion of 10 years of credited service, shall receive
3 an annual retirement benefit equal to the annual retirement benefit pay-
4 able had the member retired on the normal retirement date but based
5 upon the member's final average salary and years of participating and
6 prior service credited to the date of actual retirement reduced by an
7 amount equal to the product of (i) such annual retirement benefit payable
8 had the member retired on the normal retirement date, multiplied by (ii)
9 the product of .2% multiplied by the number of months' difference, to
10 the nearest whole month, between the member's attained age at the time
11 of retirement and age 62.

12 (B) Any member who retires on or after July 1, 1993, but before the
13 normal retirement date and has attained age 55 but has not attained age
14 60 with the completion of 10 years of credited service, shall receive an
15 annual retirement benefit equal to the annual retirement benefit payable
16 had the member retired on the normal retirement date but based upon
17 the member's final average salary and years of participating and prior
18 service credited to the date of actual retirement reduced by an amount
19 equal to the total of: (i) (a) The product of such annual retirement benefit
20 payable had the member retired on the normal retirement date, multi-
21 plied by (b) the product of .6% multiplied by the number of months'
22 difference, to the nearest whole month, between the member's attained
23 age at the time of retirement and age 60; and

24 (ii) on and after July 1, 1993, the product of such annual retirement
25 benefit payable had the member retired on the normal retirement date,
26 multiplied by 4.8%.

27 (3) Upon death of a retirant, there shall be paid to such retirant's
28 beneficiary an amount equal to the excess, if any, of such retirant's ac-
29 cumulated contributions over the sum of all retirement benefit payments
30 made.

31 (4) Such annual retirement benefits shall be paid in equal monthly
32 installments except, that the board may provide for the payment of re-
33 tirement benefits which total less than \$240 a year on other than a
34 monthly basis.

35 (5) In the event that an application in such form as may be prescribed
36 by the board for any amount due under the provisions of this act, is not
37 filed with the office of the retirement system by the person entitled to
38 same within five years of the date such amount became due and payable,
39 an amount equal to same shall be transferred to the retirement benefit
40 accumulation reserve and such amount shall no longer be due and pay-
41 able, except that if any such person shall present evidence satisfactory to
42 the board that such person's failure to file such application within that
43 time period was due to lack of knowledge or incapacity on such person's

7-3
~~8-2~~

1 part, the amount equal to the amount originally due shall be transferred
2 from the retirement benefit accumulation reserve to the reserve or re-
3 serves from which such transfer was initially made and the amount orig-
4 inally due shall be paid to such person.

5 (6) *The participating employer, when an employee files an application*
6 *for retirement, shall certify to the system all member contributions of such*
7 *employee which have not been reported previously. In the event the*
8 *amount certified results in an overpayment of retirement benefits, the*
9 *employer shall be held responsible for the contribution amount previously*
10 *certified. If the contributions previously certified are lower than the actual*
11 *amount reported, the employer shall be responsible for remitting the cor-*
12 *rect amount and the member's monthly benefit shall be recalculated based*
13 *on the amount reported by the employer.* The provisions of law in effect
14 on the retirement date of a member under the system shall govern the
15 retirement benefit payable to the retirant, any joint annuitant and any
16 beneficiary.

17 Sec. 2. K.S.A. 2000 Supp. 74-4915 is hereby repealed.

18 Sec. 3. This act shall take effect and be in force from and after its
19 publication in the statute book.

When an employee in school employment files such an application, the participating employer responsible for any such amounts as provided in this subsection shall be the employee's eligible employer as specified in subsections (1), (2) or (3) of K.S.A. 74-4931, and amendments thereto, and shall not be the state of Kansas.

Substitute For HOUSE BILL NO. 2534

By Committee on Appropriations

AN ACT concerning the Kansas public employees retirement system; relating to certain contracts for professional or consultant services; prescribing certain procedures and reports; amending K.S.A. 2000 Supp. 75-37,132 and 75-37,135 and repealing the existing sections.

Be it enacted by the Legislature of the State of Kansas:

Section 1. K.S.A. 2000 Supp. 75-37,132 is hereby amended to read as follows: 75-37,132. (a) Except as provided in this section, all contracts for professional and consultant services, shall be negotiated in accordance with the provisions of K.S.A. 75-37,102, and amendments thereto.

(b) The provisions of subsection (a) shall not apply to any contract for professional or consultant services that the director of purchases determines meets one or more of the criteria established in subsections (a) and (h) of K.S.A. 75-3739, and amendments thereto. When the director of purchases approves a contract for professional or consultant services under this subsection, the director may delegate authority to the agency to enter into the contract under conditions and procedures prescribed by the director.

(c) The provisions of subsection (a) shall not apply to any contract for professional or consultant services that is not anticipated to exceed \$25,000 in any fiscal year. Such a contract shall be entered into by the state agency on the basis of competitive negotiations with at least two individuals or firms unless the head of the agency determines that competitive negotiations are not in the best interest of the state. The agency head shall make a report to the director of purchases at least once in each calendar quarter during the term of each contract for professional or consultant services that exceeds \$5,000 and that was entered into without competitive negotiations.

(d) The director of purchases shall prepare a detailed report at least once in each calendar quarter during the term of each contract for professional or consultant services that

HOUSE APPROPRIATIONS

DATE 3/14/01ATTACHMENT #8

exceeds \$5,000 that is entered into under subsection (b) and all contracts for professional or consultant services reported to the director under subsection (c). The director of purchases shall submit such report to the legislative coordinating council, the chairperson of the committee on ways and means of the senate, the chairperson of the committee on appropriations of the house of representatives and the chairperson of the Kansas performance review board.

(e) All contracts for architectural services, engineering services, construction management or ancillary technical services entered into by a state agency shall be entered into in accordance with the provisions of K.S.A. 75-430a, 75-1250 through 75-1266 and 75-5801 through 75-5807, and amendments thereto.

(f) All contracts for professional services entered into by the board of governors of the health care stabilization fund shall be entered into in accordance with the provisions of K.S.A. 40-3410 and 40-3411, and amendments thereto.

(g) Upon written certification from the commissioner of insurance to the director of purchases and the legislative budget committee that an emergency exists and the best interests of the state would be jeopardized by compliance with subsection (a), the provisions of subsections (a) and (c) shall not apply to contracts for legal services performed under article 36 of chapter 40 of the Kansas Statutes Annotated.

(h) In the case of any contract for professional services or consultant services for the board of trustees of the Kansas public employees retirement system that is negotiated in accordance with the provisions of K.S.A. 75-37,102, and amendments thereto:

(1) The negotiating committee shall be composed of the members of the board of trustees, notwithstanding the provisions of subsection (b) of K.S.A. 75-37,102, and amendments thereto, to the contrary; and

(2) the board of trustees shall report each contract for professional services or consultant services entered pursuant to

this subsection to the director of purchases, including the rationale of the board of trustees if the bid or proposal selected by the board of trustees was not the lowest cost bid or proposal submitted and a report of such contract and such rationale shall be included in the report submitted by the director of purchases pursuant to subsection (e) of K.S.A. 75-37,102, and amendments thereto.

Sec. 2. K.S.A. 2000 Supp. 75-37,135 is hereby amended to read as follows: 75-37,135. (a) (1) Prior to entering a contract for legal services where the amount of the fees paid to an attorney or firm of attorneys reasonably may exceed \$1,000,000, the director of purchases shall submit the proposed request for proposal to the legislative budget committee. Within 30 days after submission of such request for proposal, the committee may hold a public hearing on the proposed request for proposal and shall issue a report to the director of purchases. The report shall include any proposed changes to the proposed request for proposal suggested by the committee. The committee is not authorized to waive the evidentiary privileges of the state, or any of the persons or entities that state attorneys are representing or acting in concert with in any litigation or anticipated litigation. The committee, the director of purchases and their employees shall take all reasonable steps to protect such privileges. The director of purchases shall review the report and adopt a final request for proposal as deemed appropriate in view of the report and shall file the final request for proposal with the legislative budget committee.

(2) If the proposed request for proposal does not contain the changes proposed by the committee, the director of purchases shall submit with the final request for proposal a letter stating the reasons why such proposed changes were not adopted. The director of purchases shall not release the final request for proposal until at least 10 days after the date of submission of the final request for proposal to the legislative budget committee.

(3) If the legislative budget committee makes no suggested changes to the proposed request for proposal or fails to report any suggested changes within 60 days of the submission of the proposed request for proposal to such committee, the director of purchases may release the request for proposal.

(b) After awarding a contract for legal services where the amount of the fees paid to an attorney or firm of attorneys reasonably may exceed \$1,000,000, the director of purchases shall submit the contract to the legislative budget committee. Within 30 days after submission of such contract, the committee may hold a public hearing on the contract and shall issue a report to the director of purchases. The report shall include any concerns of the committee.

(c) The provisions of this section shall not apply in any action in which the state of Kansas or any state agency, officer or employee is a defendant and a contract for legal services is to be entered. The director of purchases shall prepare a report each calendar quarter while such legal proceeding is in progress. Such report shall include the case citation and the date upon which the action was filed. The director of purchases shall submit the report to the legislative coordinating council, the chairperson of the committee on ways and means of the senate, the chairperson of the committee on appropriations of the house of representatives and the chairperson of the Kansas performance review board.

(d) The director of purchases shall prepare a detailed report at least once in each calendar quarter of each legal proceeding which has been completed and for which a contingency fee arrangement was entered. Such report shall disclose the hours worked on the case, the expenses incurred, the aggregate fee amount and a breakdown as to the hourly rate, based on hours worked divided into fee recovered, less expenses. The director of purchases shall submit the report to the legislative coordinating council, the chairperson of the committee on ways and means of the senate, the chairperson of the committee on appropriations of

the house of representatives and the chairperson of the Kansas performance review board.

(e) Reasonable attorney fees to be paid by the state or defendant in an action where the attorney was hired by the state with a contingency fee agreement shall be approved by the judge after an evidentiary hearing and prior to final disposition of the case by the district court. Any individual may provide information to the court and be heard before the court with regard to the reasonableness of attorney fees paid by the state or defendant under the contingency fee agreement. Compensation for reasonable attorney fees for services performed in an appeal of a judgment in any such action to the court of appeals shall be approved after an evidentiary hearing by the chief judge or by the presiding judge of the panel hearing the case. Compensation for reasonable attorney fees for services performed in an appeal of a judgment in any such action to the supreme court shall be approved after an evidentiary hearing by the departmental justice for the department in which the appeal originated. In determining the reasonableness of such compensation, the judge or justice shall consider the following:

(1) The time and labor required, the novelty and difficulty of the questions involved and the skill requisite to perform the legal service properly.

(2) The likelihood, if apparent to the client, that the acceptance of the particular employment will preclude other employment by the attorney.

(3) The fee customarily charged in the locality for similar legal services.

(4) The amount involved and the results obtained.

(5) The time limitations imposed by the client or by the circumstances.

(6) The nature and length of the professional relationship with the client.

(7) The experience, reputation and ability of the attorney or attorneys performing the services.

(8) Whether the fee is fixed or contingent.

(f) In the case of any contract for legal services for the board of trustees of the Kansas public employees retirement system negotiated or to be negotiated in accordance with the provisions of K.S.A. 75-37,102, and amendments thereto, where the amount of fees paid to an attorney or to a firm of attorneys reasonably may exceed \$1,000,000, references to the "director of purchases" in subsections (a), (b) and (c) of this section shall be construed to apply to the board of trustees of the Kansas public employees retirement system and each duty or function prescribed in such subsections shall be assumed and performed by the board of trustees of the Kansas public employees retirement system.

Sec. 3. K.S.A. 2000 Supp. 75-37,132 and 75-37,135 are hereby repealed.

Sec. 4. This act shall take effect and be in force from and after its publication in the statute book.

HOUSE BILL No. 2363

By Representative Loyd

2-7

Proposed Subcommittee Amendments
to HB No. 2363

HOUSE APPROPRIATIONS

DATE 3/14/01
ATTACHMENT # 10-9

9 AN ACT concerning retirement and pensions; concerning certain school
10 retirants; postretirement benefit increase.
11

12 *Be it enacted by the Legislature of the State of Kansas:*

13 Section 1. The retirement benefit, pension or annuity payments to
14 each retirant of the state school retirement system who retired prior to
15 January 1, 1971, shall:

16 (a) For retirement benefit, pension or annuity payments accruing af-
17 ter June 30, 2001, be in an amount as otherwise provided by law but shall
18 be an amount at least equal to \$500;

19 (b) for retirement benefit, pension or annuity payments accruing af-
20 ter June 30, 2002, be in an amount as otherwise provided by law but shall
21 be an amount at least equal to \$625; and

22 (c) for retirement benefit, pension or annuity payments accruing after
23 June 30, 2003, be in an amount as otherwise provided by law but shall
24 be an amount at least equal to \$750.

25 Sec. 2. This act shall take effect and be in force from and after its
26 publication in the statute book.

and who had at least 20 years or more of
service credit,

HOUSE BILL No. 2363

By Representative Loyd

2-7

Proposed Subcommittee Amendments
to HB No. 2363

9-2
10-2

9 AN ACT concerning retirement and pensions; concerning certain school
10 retirants; postretirement benefit increase.
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