

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chairman Kenny Wilk at 11:40 a.m. on April 25, 2001, in Room 514-S of the Capitol.

All members were present

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

Conferees appearing before the committee:

Others attending: See Attached

Hearing, Discussion, and Action on SB 100—Concerning renewal fees for licenses of food services establishments

Representative Neufeld moved to amend SB 100 by transferring from HB 2500 Sections 1(e), Line 29 on Page 2, Section 2 which sets a fee for grocery stores, and Section 3 on Page 3 as shown in the attached balloon (Attachment 1), and Section 3 but not Section 4 of HB 2500 into the bill. Motion was seconded by Representative Bethell. Motion carried.

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

Hearing, Discussion, and Action on SB 52—Appropriation FY 2001, appropriation for the legislative coordinating council, KPERS actuarial audit

Representative Neufeld moved to amend the bill by striking the existing language in SB 52 and inserting the language found in Irs1315 Proposed House Substitute for Senate Bill No. 52 —An act concerning retirement and pensions; relating to the Kansas public employees retirement system and systems thereunder; employer contributions (Attachment 2) and the language found in Irs1318 An act concerning compensation for justices and judges (Attachment 3). Motion was seconded by Representative Bethell. Motion carried.

Representative Neufeld moved to amend the bill by inserting language to make the bill effective upon publication in the Kansas Register. Motion was seconded by Representative Pottorff. Motion carried.

Representative Neufeld moved to report House Substitute for Senate Bill No. 52 favorably as amended. Motion was seconded by Representative Bethell. Motion carried.

Hearing, Discussion and Action on SB 304—State officers and employees, compensation increases

Representative Neufeld moved to amend SB 304 by striking the existing language and inserting the language of Irs1316 An act concerning the secretary of transportation; authorizing the issuance of certain bonds (Attachment 4). Motion was seconded by Representative Bethell. Motion carried.

Representative Neufeld moved to report favorably House Substitute for SB 304 as amended. Motion was seconded by Representative Bethell. Motion carried. Representative Landwehr asked to be recorded as a "No" vote.

Representative Peterson requested bill introduction as suggested by the judicial branch that would provide in the event of furlough employees that any reduction in employee's salaries would not affect the employee's KPERS benefits. Motion was seconded by Representative Hermes. Motion carried.

Chairman Wilk adjourned the meeting at 1:00 p.m.

1 (3) "Secretary" means the secretary of health and environment.

2 (b) In order to reimburse the state of Kansas for inspections by the
3 secretary of health and environment of retail food stores and food proc-
4 essing plants, ~~the secretary of health and environment shall adopt rules~~
5 ~~and regulations fixing an inspection fee to cover all of the cost of inspec-~~ *establishing*
6 ~~tion of retail food stores and food processing plants which shall not exceed~~ *schedule*
7 ~~\$100 per calendar year for each retail food store and food processing~~ *200*
8 ~~plant location, plus a fee not to exceed \$25 for each separate and distinct~~
9 ~~food preparation area within the retail food store or food processing plant~~
10 ~~location other than the first such area.~~ Whenever the secretary deter-
11 mines that the total amount of revenue derived from the fees collected
12 pursuant to this section are insufficient to carry out the purposes for which
13 the fees are collected, the secretary may amend such rules and regulations
14 to increase the amount of the fee or fees, except that the amount of any
15 fee shall not exceed the maximum amount authorized by this subsection.
16 Whenever the amount of fees collected pursuant to this subsection pro-
17 vides revenue in excess of the amount necessary to carry out the purposes
18 for which such fees are collected, it shall be the duty of the secretary to
19 decrease the amount of the fees prescribed for retail food stores or food
20 processing plants by amending the rules and regulations which fix the
21 fees, as the case may be.

22 (c) All moneys received as fees under this section shall be remitted
23 to the state treasurer at least monthly. Upon receipt of each such remit-
24 tance, the state treasurer shall deposit the entire amount in the state
25 treasury to the credit of the food inspection fee fund.

26 (d) The secretary of health and environment shall adopt rules and
27 regulations necessary to carry out the provisions of this section.

28 New Sec. 3. (a) It shall be unlawful for any person to engage in the
29 business of conducting a retail food store or food processing plant unless
30 such person shall have in effect a valid license therefor issued by the
31 secretary. For the purpose of this section, the sale of food in the same
32 location less than seven days in any calendar year shall be construed as
33 the occasional sale of food. Nothing in this act shall prevent the secretary
34 from inspecting any retail food store or food processing plant when a
35 complaint against such retail food store or food processing plant is trans-
36 mitted to the secretary or any authorized agent thereof.

37 (b) Applications for such licenses shall be made on forms prescribed
38 by the secretary, and each such application shall be accompanied by an
39 application fee and by a license fee. Application fees may be adjusted in
40 accordance with the type of retail food store or food processing plant or
41 based on other criteria as determined by the secretary. Such license fee
42 shall be fixed in an amount which, together with the application fee, is
43 sufficient to defray the cost of administering the retail food store and food

Proposed HOUSE Substitute for SENATE BILL NO. 52

By Committee on Appropriations

AN ACT concerning retirement and pensions; relating to the Kansas public employees retirement system and systems thereunder; employer contributions; amending K.S.A. 2000 Supp. 74-4927 and 74-4927f and repealing the existing sections.

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

Section 1. K.S.A. 2000 Supp. 74-4927 is hereby amended to read as follows: 74-4927. (1) The board may establish a plan of death and long-term disability benefits to be paid to the members of the retirement system as provided by this section. The long-term disability benefit shall not be payable until the member has been prevented from carrying out each and every duty pertaining to the member's employment as a result of sickness or injury for a period of 180 days and the annual benefit shall not exceed an amount equal to 66 2/3% of the member's annual rate of compensation on the date such disability commenced and shall be payable in equal monthly installments. In the event that a member's compensation is not fixed at an annual rate but on an hourly, weekly, biweekly, monthly or any other basis than annual, the board shall prescribe by rule and regulation a formula for establishing a reasonable rate of annual compensation to be used in determining the amount of the death or long-term disability benefit for such member. Such plan shall provide that:

(A) For deaths occurring prior to January 1, 1987, the right to receive such death benefit shall cease upon the member's attainment of age 70 or date of retirement whichever first occurs. The right to receive such long-term disability benefit shall cease (i) for a member who becomes eligible for such benefit before attaining age 60, upon the date that such member attains age 65 or the date of such member's retirement, whichever first occurs, (ii) for a member who becomes eligible for such benefit at or after attaining age 60, the date that such member has received such benefit for a period of five years, upon the date that such member attains age 70, or upon the date of such member's retirement, whichever first occurs, (iii) for all disabilities incurred on or after January 1, 1987, for a member who becomes eligible for such benefit at or after attaining age

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70, the date that such member has received such benefit for a period of 12 months or upon the date of such member's retirement, whichever first occurs, and (iv) for all disabilities incurred on or after January 1, 1987, for a member who becomes eligible for such benefit at or after attaining age 75, the date that such member has received such benefit for a period of six months or upon the date of such member's retirement, whichever first occurs.

(B) Long-term disability benefit payments shall be in lieu of any accidental total disability benefit that a member may be eligible to receive under subsection (3) of K.S.A. 74-4916 and amendments thereto. The member must make an initial application for social security disability benefits and, if denied such benefits, the member must pursue and exhaust all administrative remedies of the social security administration which include, but are not limited to, reconsideration and hearings. Such plan may provide that any amount which a member receives as a social security benefit or a disability benefit or compensation from any source by reason of any employment including, but not limited to, workers compensation benefits may be deducted from the amount of long-term disability benefit payments under such plan. During the period in which such member is pursuing such administrative remedies prior to a final decision of the social security administration, social security disability benefits may be estimated and may be deducted from the amount of long-term disability benefit payments under such plan. Such long-term disability payments shall accrue from the later of the 181st day of total disability or the first day upon which the member ceases to draw compensation from the employer. If the social security benefit, workers compensation benefit, other income or wages or other disability benefit by reason of employment, or any part thereof, is paid in a lump-sum, the amount of the reduction shall be calculated on a monthly basis over the period of time for which the lump-sum is given. In no case shall a member who is entitled to receive long-term disability benefits receive less than \$50 per month. As used in this section, "workers

compensation benefits" means the total award of disability benefit payments under the workers compensation act notwithstanding any payment of attorney fees from such benefits as provided in the workers compensation act.

(C) The plan may include other provisions relating to qualifications for benefits; schedules and graduation of benefits; limitations of eligibility for benefits by reason of termination of employment or membership; conversion privileges; limitations of eligibility for benefits by reason of leaves of absence, military service or other interruptions in service; limitations on the condition of long-term disability benefit payment by reason of improved health; requirements for medical examinations or reports; or any other reasonable provisions as established by rule and regulation of uniform application adopted by the board.

(D) On and after April 30, 1981, the board may provide under the plan for the continuation of long-term disability benefit payments to any former member who forfeits the entitlement to continued service credit under the retirement system or continued assistance in the purchase of retirement annuities under K.S.A. 74-4925 and amendments thereto and to continued long-term disability benefit payments and continued death benefit coverage, by reason of the member's withdrawal of contributions from the retirement system or the repurchase of retirement annuities which were purchased with assistance received under K.S.A. 74-4925 and amendments thereto. Such long-term disability benefit payments may be continued until such individual dies, attains age 65 or is no longer disabled, whichever occurs first.

(E) Any visually impaired person who is in training at and employed by a sheltered workshop for the blind operated by the secretary of social and rehabilitation services and who would otherwise be eligible for the long-term disability benefit as described in this section shall not be eligible to receive such benefit due to visual impairment as such impairment shall be determined to be a preexisting condition.

(2) (A) In the event that a member becomes eligible for a

long-term disability benefit under the plan authorized by this section such member shall be given participating service credit for the entire period of such disability. Such member's final average salary shall be computed in accordance with subsection (17) of K.S.A. 74-4902 and amendments thereto except that the years of participating service used in such computation shall be the years of salaried participating service.

(B) In the event that a member eligible for a long-term disability benefit under the plan authorized by this section shall be disabled for a period of five years or more immediately preceding retirement, such member's final average salary shall be adjusted upon retirement by the actuarial salary assumption rates in existence during such period of disability. Effective July 1, 1993, such member's final average salary shall be adjusted upon retirement by 5% for each year of disability after July 1, 1993, but before July 1, 1998. Effective July 1, 1998, such member's final average salary shall be adjusted upon retirement by an amount equal to the lesser of: (i) The percentage increase in the consumer price index for all urban consumers as published by the bureau of labor statistics of the United States department of labor minus 1%; or (ii) four percent per annum, measured from the member's last day on the payroll to the month that is two months prior to the month of retirement, for each year of disability after July 1, 1998.

(C) In the event that a member eligible for a long-term disability benefit under the plan authorized by this section shall be disabled for a period of five years or more immediately preceding death, such member's current annual rate shall be adjusted by the actuarial salary assumption rates in existence during such period of disability. Effective July 1, 1993, such member's current annual rate shall be adjusted upon death by 5% for each year of disability after July 1, 1993, but before July 1, 1998. Effective July 1, 1998, such member's current annual rate shall be adjusted upon death by an amount equal to the lesser of: (i) The percentage increase in the consumer price index for all urban consumers published by the bureau of labor

statistics of the United States department of labor minus 1%; or (ii) four percent per annum, measured from the member's last day on the payroll to the month that is two months prior to the month of death, for each year of disability after July 1, 1998.

(3) (A) To carry out the legislative intent to provide, within the funds made available therefor, the broadest possible coverage for members who are in active employment or involuntarily absent from such active employment, the plan of death and long-term disability benefits shall be subject to adjustment from time to time by the board within the limitations of this section. The plan may include terms and provisions which are consistent with the terms and provisions of group life and long-term disability policies usually issued to those employers who employ a large number of employees. The board shall have the authority to establish and adjust from time to time the procedures for financing and administering the plan of death and long-term disability benefits authorized by this section. Either the insured death benefit or the insured disability benefit or both such benefits may be financed directly by the system or by one or more insurance companies authorized and licensed to transact group life and group accident and health insurance in this state.

(B) The board may contract with one or more insurance companies, which are authorized and licensed to transact group life and group accident and health insurance in Kansas, to underwrite or to administer or to both underwrite and administer either the insured death benefit or the long-term disability benefit or both such benefits. Each such contract with an insurance company under this subsection shall be entered into on the basis of competitive bids solicited and administered by the board. Such competitive bids shall be based on specifications prepared by the board.

(i) In the event the board purchases one or more policies of group insurance from such company or companies to provide either the insured death benefit or the long-term disability benefit or both such benefits, the board shall have the authority to

(B) The director of the budget and the governor shall include in the budget and in the budget request for appropriations for personal services a sum to pay the state's contribution to the group insurance reserve fund as provided by this section and shall present the same to the legislature for allowances and appropriation.

(C) The provisions of subsection (4) of K.S.A. 74-4920 and amendments thereto shall apply for the purpose of providing the funds to make the contributions to be deposited to the group insurance reserve fund.

(D) Any dividend or retrospective rate credit allowed by an insurance company or companies shall be credited to the group insurance reserve fund and the board may take such amounts into consideration in determining the amounts of the benefits under the plan authorized by this section.

(5) The death benefit provided under the plan of death and long-term disability benefits authorized by this section shall be known and referred to as insured death benefit. The long-term disability benefit provided under the plan of death and long-term disability benefits authorized by this section shall be known and referred to as long-term disability benefit.

(6) The board is hereby authorized to establish an optional death benefit plan. Except as provided in subsection (7), such optional death benefit plan shall be made available to all employees who are covered or may hereafter become covered by the plan of death and long-term disability benefits authorized by this section. The cost of the optional death benefit plan shall be paid by the applicant either by means of a system of payroll deductions or direct payment to the board. The board shall have the authority and discretion to establish such terms, conditions, specifications and coverages as it may deem to be in the best interest of the state of Kansas and its employees which should include term death benefits for the person's period of active state employment regardless of age, but in no case, on and after January 1, 1989, shall the maximum allowable coverage be less than \$200,000. The cost of the optional death benefit plan shall

not be established on such a basis as to unreasonably discriminate against any particular age group. The board shall have full administrative responsibility, discretion and authority to establish and continue such optional death benefit plan and the director of accounts and reports of the department of administration shall when requested by the board and from funds appropriated or available for such purpose establish a system to make periodic deductions from state payrolls to cover the cost of the optional death benefit plan coverage under the provisions of this subsection (6) and shall remit all deductions together with appropriate accounting reports to the system. There is hereby created in the state treasury the optional death benefit plan reserve fund. Investment income of the fund shall be added or credited to the fund as provided by law. All funds received by the board, whether in the form of direct payments, payroll deductions or otherwise, shall be accounted for separately from all other funds of the retirement system and shall be paid into the optional death benefit plan reserve fund, from which the board is authorized to make the appropriate payments and to pay the ongoing costs of administration of such optional death benefit plan as may be incurred in carrying out the provisions of this subsection (6).

(7) Any employer other than the state of Kansas which is currently a participating employer of the Kansas public employees retirement system or is in the process of affiliating with the Kansas public employees retirement system may also elect to affiliate for the purposes of subsection (6). All such employers shall make application for affiliation with such system, to be effective on January 1 next following application. Such optional death benefit plan shall not be available for employees of employers specified under this subsection until after July 1, 1988.

Sec. 2. K.S.A. 2000 Supp. 74-4927f is hereby amended to read as follows: 74-4927f. (a) For the purposes of providing the "insured death benefit" as prescribed in K.S.A. 74-4927 and amendments thereto, to all persons who are members of the

retirement system for judges, the term "member" as used in K.S.A. 74-4927 and amendments thereto, and as used in this section shall include members of the retirement system for judges.

(b) Except as otherwise provided by this subsection, the employer of any member who is a member of the retirement system for judges shall pay to the Kansas public employees retirement system in such manner as the board of trustees shall prescribe, an amount equal to .4% of the amount of compensation on which the member's contributions to the retirement system for judges are based for deposit in the group insurance reserve of the Kansas public employees retirement fund, in lieu of the amount required to be paid under subsection (4) of K.S.A. 74-4927 and amendments thereto. Notwithstanding the provisions of this subsection, no employer shall pay to the system any amount provided for by this subsection for deposit in the group insurance reserve fund for the ~~fiscal-year-ending-June-30,-2001~~ period commencing on July 1, 2001, and ending on December 31, 2001.

Sec. 3. K.S.A. 2000 Supp. 74-4927 and 74-4927f are hereby repealed.

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

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HOUSE BILL NO. _____

By Committee on Appropriations

AN ACT concerning compensation for justices and judges; amending K.S.A. 75-31201 and repealing the existing section.

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

Section 1. K.S.A. 75-31201 is hereby amended to read as follows:

75-31201. (a) Whenever the rates of compensation of the pay plan for persons in the classified service under the Kansas civil service act are increased for payroll periods chargeable to fiscal years commencing after June 30, 1993, the annual salary of the chief justice of the supreme court, each other justice of the supreme court, the chief judge of the court of appeals, each other judge of the court of appeals, each district judge and each district magistrate judge shall be increased by an amount, ~~adjusted-to-the--nearest--dollar,~~ computed by multiplying the average of the percentage increases in all monthly steps of such pay plan by the annual salary of the justice or judge which is being received as provided by law and which is in effect prior to the effective date of such increase in the rates of compensation of the pay plan for persons in the classified service under the Kansas civil service act, except that, for payroll periods chargeable to the fiscal year ending June 30, 2002, (1) the rates of compensation for payroll periods commencing on or after June 10, 2001, and ending prior to December 9, 2001, shall not be increased pursuant to this subsection by more than 1%, and (2) the rates of compensation for payroll periods commencing on or after December 9, 2001, and which are chargeable to fiscal year 2002, shall not be increased pursuant to this subsection by more than 1%, in addition to any other increase for fiscal year 2002 pursuant to this subsection.

(b) If increases in the monthly rates of compensation from step movements of the pay plan for persons in the classified service under the Kansas civil service act are authorized for the fiscal year ending June 30, 1995, or any fiscal year thereafter, the annual salary of the chief justice of the supreme court, each other justice of the supreme court, the chief judge of the court of appeals, each other judge of the court

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district judge and each district magistrate judge shall be increased by an amount ~~7-adjusted-to-the-nearest-dollar~~ computed by multiplying the average percentage increase in the monthly rate of compensation from step movements on the pay plan for persons in the classified service under the Kansas civil service act determined under subsection (c) by the annual salary of the justice or judge which is being received as provided by law and which is in effect prior to the effective date of such increase. The increase in the annual salary of each justice or judge pursuant to this subsection shall take effect on the first day of the first payroll period which is chargeable to the fiscal year in which such step movements on the pay plan are authorized to take effect.

(c) For purposes of subsection (b), the average percentage increase in the monthly rate of compensation from step movements on the pay plan for persons in the classified service under the Kansas civil service act shall be equal to the percentage certified by the secretary of administration which equals the estimated average of the percentage increases in all monthly rates of compensation from step movements on the pay plan for persons in the classified service under the Kansas civil service act which are authorized to take effect during the fiscal year in which such step movements on the pay plan are authorized to take effect.

(d) If the increase under subsection (a) takes effect on the first day of the first payroll period of the fiscal year, the percentage rate increases determined under subsections (a) and (b) shall be added together and such aggregate percentage increase of compensation under this section shall be used to increase the rate of compensation of each justice or judge instead of applying the increases under subsections (a) and (b) separately.

Sec. 2. K.S.A. 75-31201 is hereby repealed.

Sec. 3. This act shall take effect and be in force from and after its publication in the Kansas register.

HOUSE BILL NO. _____

By

AN ACT concerning the secretary of transportation; authorizing the issuance of certain bonds; amending K.S.A. 2000 Supp. 68-2320 and repealing the existing section.

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

Section 1. K.S.A. 2000 Supp. 68-2320 is hereby amended to read as follows: 68-2320. (a) On and after July 1, 1991, the secretary of transportation is hereby authorized and empowered to issue bonds of the state of Kansas, payable solely from revenues accruing to the state highway fund and transferred to the highway bond debt service fund and pledged to their payment, for the purpose of providing funds to pay costs relating to construction, reconstruction, maintenance or improvement of highways in this state and to pay all expenses incidental thereto and to the bonds. The secretary is hereby authorized to issue bonds the total principal amount of which shall not exceed \$890,000,000.

(b) In addition to the provisions of subsection (a), on and after July 1, 1999, the secretary of transportation is hereby authorized and empowered to issue bonds of the state of Kansas, payable solely from revenues accruing to the state highway fund and transferred to the highway bond debt service fund and pledged to their payment, for the purpose of providing funds to pay costs relating to construction, reconstruction, maintenance or improvement of highways in this state and to pay all expenses incidental thereto and to the bonds. The secretary is hereby authorized to issue bonds the total principal amount of which shall not exceed ~~\$995,000,000~~ \$1,272,000,000.

(c) In accordance with procurement statutes, the secretary may contract with financial advisors, attorneys and such other professional services as the secretary deems necessary to carry out the provisions of this act, and to do all things necessary or convenient to carry out the powers expressly granted in this act.

Sec. 2. K.S.A. 2000 Supp. 68-2320 is hereby repealed.

Sec. 3. This act shall take effect and be in force from and after its publication in the Kansas register.