

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.

The meeting was called to order by Chairperson Steve Morris at 12:20 p.m. on April 6, 2001 in Room 123-S of the Capitol.

All members were present except: Senator Jim Barone - excused  
Senator Christine Downey - excused  
Senator Paul Feleciano - excused  
Senator Tim Huelskamp - excused

Committee staff present:

Debra Hollon, Kansas Legislative Research Department  
Amory Lovin, Kansas Legislative Research Department  
Paul West, Kansas Legislative Research Department  
Robert Waller, Kansas Legislative Research Department  
Norman Furse, Revisor of Statutes  
Mike Corrigan, Assistant Revisor of Statutes, Revisor of Statutes Office  
Julie Weber, Administrative Assistant to the Chairman  
Mary Shaw, Committee Secretary

Conferees appearing before the committee:

Major General Greg Gardner, Kansas Adjutant General

Others attending: See attached guest list

Chairman Morris opened the public hearing on:

**HB 2106--Kansas national guard; pay and allowances**

Staff briefed the committee on the bill.

Chairman Morris welcomed Major General Greg Gardner, Kansas Adjutant General, who spoke in support of **HB 2106** (Attachment 1).

There being no further conferees to come before the Committee, the Chairman closed the public hearing on **HB 2106**.

Senator Salmans moved, with a second by Senator Adkins, to pass **HB 2106** as favorable. Motion carried by a roll call vote.

Chairman Morris opened the public hearing on:

**SB 357--Remittance of state moneys to the state treasurer, judicial branch**

Staff briefed the committee on the bill.

Chairman Morris welcomed Kathy Porter, Office of the Judicial Branch, who spoke before the Committee regarding **SB 357** (Attachment 2).

There being no further conferees to come before the Committee, the Chairman closed the public hearing on **SB 357**.

Senator Adkins moved, with a second by Senator Schodorf, to pass **SB 357** as favorable. Motion carried by a roll call vote.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS on April 6, 2001 in Room 123-S of the Capitol.

Chairman Morris called the Committee's attention to discussion of:

**HB 2059--Renal assistance program**

The Revisor explained the proposed balloon amendment that was requested.

Senator Schodorf moved, with a second by Senator Adkins, to amend **HB 2059** and adopt the proposed balloon amendment (Attachment 3) conceptually placing the renal assistance program under the direction of the Secretary of the Kansas Department of Health and Environment. Motion carried by a voice vote.

Senator Salmans explained a proposed balloon amendment to **HB 2059** which he has discussed with the Revisor and the Board of Healing Arts.

Senator Jackson moved, with a second by Senator Kerr, to amend **HB 2059** and adopt the balloon amendment (Attachment 4) for the retention of psychiatric doctors at any of the state institutions and allows them to continue to work there under the clinical director. Motion carried by a voice vote.

Senator Salmans moved, with a second by Senator Kerr, to pass **HB 2059** favorable as amended. Motion carried by a roll call vote.

**Bill Introduction**

Senator Salmons moved, with a second by Senator Adkins, to introduce a bill (1rs1272) concerning the state educational institutions; relating to the residence of students for fee purposes. Motion carried by a voice vote.

The meeting was adjourned at 12:45 p.m. The next meeting is scheduled for April 17, 2001, for the consideration of the omnibus items.

**SENATE WAYS AND MEANS COMMITTEE  
GUEST LIST**

DATE April 6, 2001

NAME	REPRESENTING
Martin Rein	Ku
Julie Thomas	DOB
Greg Gardner	Adjutant General
Janice Harper	" "
Chuck Bredahl	" "
MARTY VINES	KANSAS ASSOC. OF PUBLIC EMP. (KAPE)
Kathy Peter	Judicial Branch
Jerry Sloan	Judicial Branch

**Senate Ways and Means Committee  
Testimony on HB 2106  
Major General (KS) Greg Gardner, Adjutant General  
April 6, 2001**

**HB 2106** - An act concerning the Kansas National Guard; relating to pay and allowances; amends K.S.A. 48-225 and repeals the existing section.

The proposed legislation will simplify the statute and eliminate a complicated method of determining compensation, reducing the statute from two pages to two paragraphs. It will compensate all performance of State Active Duty, regardless of purpose (emergency or civil function) using the United States Armed Forces pay scale. It sets the minimum pay rate at the rank of E-6 with over 6 years service instead of the complicated calculated minimum currently used. The proposed rate closely parallels the minimum rate paid over the last several years but does not require the burdensome and complicated calculations of the old method.

The fiscal impact on the agency is minimal. We expect the state and military pay rates will rise together fairly consistently as they have in recent years. Over the last five years, the cost savings would have been \$400 a year.

The proposed legislation will also save approximately 35 staff hours per year. It reduces processing time by approximately four minutes per pay record using the military rate method instead of the old complicated compensation method. In addition, it should improve on our present error rate of 1% using this simpler method.

In summary, the proposed amendment reduces the present statute from pages to paragraphs, uses a simpler compensation method, plus it saves time and money. Please support HB 2106. It is the right thing to do. Thank you.

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Attachment 1



State of Kansas  
**Office of Judicial Administration**  
Kansas Judicial Center  
301 SW 10<sup>th</sup>  
Topeka, Kansas 66612-1507

(785) 296-2256

**Testimony to Senate Ways and Means Committee on Senate Bill 357**

Kathy Porter, Office of Judicial Administration

Friday, April 6, 2001

Senate Bill 357 is the trailer bill to SB 15, which has been signed by the Governor and is now law. Senate Bill 15 requires funds to be remitted to the State Treasurer on a daily basis and will allow the state to take advantage of the more favorable interest rates available to the Pooled Money Investment Board. Senate Bill 357 would exempt the Judicial Branch from those requirements and would allow the Judicial Branch to continue to submit funds to the State Treasurer on a monthly basis.

Following is an explanation of the current payment and remittance process and the reasons daily payments to the State Treasurer would create problems for the district courts. Thank you for your consideration of these issues, and I would be glad to attempt to answer any questions.

**Explanation of District Court Payments to the State Treasurer**

Clerks statewide collect a variety of fees and payments on a daily basis, including docket fees, fines, restitution for the victims of crimes, probation supervision fees, marriage license fees, bond forfeitures, attorney fees for the Board of Indigents Defense Services, lien fees, drivers' license reinstatement fees, judgments ordered to be paid into the court, and other fees and payments. Those fees and payments are balanced by the clerks of the district court in 105 counties on a daily basis. The daily balancing assures that the cash balance collected by the clerk in a small county or by many clerks in larger counties corresponds with the filings and collections of that office.

The process becomes more complex in the larger counties. In Sedgwick County, for example, approximately 50 clerks in six departments process case transactions on a daily basis. Each clerk must balance individually, and then the amounts collected by individual clerks are balanced by a supervisor. Accounting staff then balance the funds for the entire office, but that process generally cannot be completed until the following day. If the entire accounting process is to be completed at the close of business each day, the courts must either not allow filings after a certain point in the day or the accounting for one day's transactions must be balanced the following day. In larger counties, this could mean that the books would have to be closed by noon or earlier.

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If funds are required to be remitted to the state on a daily basis, the month-end accounting process completed by each clerk would have to be added to the daily process. Current law places the funds collected by clerks into different categories, and these are broken out in different ways and remitted to different entities. Funds collected must be correctly noted by category because statutes specify those entities that receive percentages of the fines, penalties, and forfeitures collected (including the Crime Victims Compensation Fund, the Crime Victims Assistance Fund, and the State General Fund); those entities that receive percentages of the clerk's fees collected (including the Access to Justice Fund, the Juvenile Detention Facilities Fund, the Judicial Branch Education Fund, the Protection from Abuse Fund, the Protection from Abuse Trust Fund, the Crime Victims Assistance Fund, the Judiciary Technology Fund, the Dispute Resolution Fund, the Kansas Endowment for Youth Trust Fund, the Family and Children Investment Fund, the Nonjudicial Salary Initiative Fund, the Trauma Fund, and the State General Fund). Similarly, marriage license fees and drivers license fees are distributed to a variety of funds.

All amounts paid in must, of course, be credited to the correct case, but judgments, restitution, and other fees that are not paid into the state must be both credited to the correct case and paid out to the correct parties. Not noted on the form are those amounts that remain local, such as the law library fund, restitution to victims of crime, the portion of civil docket fees that go to the county to offset service of process costs, copy charges, and the prosecuting attorneys trust fund. Those amounts must also be balanced, but are not remitted to the state.

Unfortunately, mistakes are sometimes made in the way payments are categorized. Adjustments are made as mistakes are discovered, but a major check is completed at month's end when the daily balance totals are checked against the bank statement. The current system is not perfect, but the majority of errors are caught and corrected through the month-end balancing process. The amount of staff time required to complete this monthly "break-out" of funds varies from county to county depending upon the volume of transactions, with some smaller counties requiring as little as half a day to perform the month-end accounting. Sedgwick County reports that the month-end accounting requires around three days to perform.

Clerks of the district court throughout the state are not accountants, and most clerks probably have little or no accounting or bookkeeping experience outside of their district court training and experience. However, day after day and year after year they do a wonderful job of remitting accurately millions of dollars to the state and countless other persons and entities. Requiring them to perform on a daily basis the tasks they currently perform on a monthly basis, without the additional check of a bank statement, invites error. Moreover, other problems are created. One problem is that the clerks sometimes receive bad checks, which obviously are not discovered until at least several days after they are deposited. Currently, bad checks are adjusted out of the total collected as soon as they are discovered. If remittances are made on a daily basis, many smaller and mid-size courts will not have the daily cash flow needed to balance out the bank account. In essence, the clerks will have written an insufficient funds check to the State Treasurer, a crime victim, or any one of the other entities listed above and could incur bank fees in the process. Requiring the clerks to do on a daily basis the accounting steps they perform on a monthly basis would require, at a minimum, an additional 13 accounting technicians at an annual cost of \$363,685, including fringe benefits.

An additional problem is that, as noted above, not all funds collected are paid out to the state. If all funds went to the state, any error subsequently discovered would require only an accounting entry to correct it. When funds must be paid out to different entities, however, payment to the wrong person or entity would mean that the funds must first be recovered from the party to whom they were paid in error, then the error must be corrected.

Currently, although much of the accounting procedure is not a computerized process, the clerks' offices do use the Judicial Branch's accounting system to reconcile their accounts and make monthly remittances to the various county and state accounts. At a minimum, the system would require some reprogramming costs which cannot be estimated accurately at this time. However, the cost of the reprogramming, implementing, and training the clerks is roughly and conservatively estimated at \$50,000. Complicating this situation is that fact that, although all counties are required to interface with the Judicial Branch's accounting system, many have individual computer systems that would require reprogramming costs that would have to be borne by the counties.

On an annual basis, the clerks collect in excess of \$30 million for the state treasury, including funds that go to the State General Fund and other funds, and that is remitted to the state on a monthly basis. Included in that amount is interest from the funds earned in clerks' local accounts, which totaled \$302,425 in FY 2000. What the state would gain by including the Judicial Branch in SB 15 is the difference between that \$302,425 and what the state could earn from the daily deposits. However, the additional costs and the greatly increased potential for serious error must also be considered.

While SB 15 makes sense for most of government and would generate additional revenue, I respectfully request that the provisions of the bill not apply to funds collected and disbursed by the Judicial Branch.

KP:mr

HOUSE BILL No. 2059

By Health Care Reform Legislative Oversight Committee

1-18

10 AN ACT relating to health care; establishing a state renal disease fund.

11  
12 *Be it enacted by the Legislature of the State of Kansas:*

13 Section 1. (a) ~~The university of Kansas school of medicine medical~~  
14 ~~center shall establish, to the extent moneys are appropriated or~~  
15 ~~grants or other funds are received therefor, a program for the care~~  
16 ~~and treatment of persons suffering from chronic renal diseases who re-~~  
17 ~~quire lifesaving medications and transportation to treatment for such re-~~  
18 ~~nal disease.~~

19 (b) ~~The executive vice chancellor of the university of Kansas school~~  
20 ~~of medicine medical center shall appoint support staff to help in the~~  
21 ~~administration of this act necessary to administer the program and~~  
22 ~~develop standards for determining eligibility for care and treatment under~~  
23 ~~this program. In lieu of administering the program, the executive~~  
24 ~~vice chancellor may contract with an external organization for ad-~~  
25 ~~ministration of the act.~~

26 (c) The executive vice chancellor is hereby given the authority to  
27 adopt the necessary rules and regulations to properly administer and en-  
28 force the provisions of this act.

29 (d) There is hereby created in the state treasury the renal disease  
30 fund. The executive vice chancellor may accept moneys from any source  
31 and such moneys shall be credited to the renal disease fund. All expend-  
32 itures from the renal disease fund shall be made in accordance with ap-  
33 propriation acts upon warrants of the director of accounts and reports  
34 issued pursuant to vouchers approved by the executive vice chancellor or  
35 by a person or persons designated by the executive vice chancellor.

36 (e) All expenditures for costs of the program established by this  
37 act, including costs of administration and all services therefor,  
38 shall be made ~~out of the renal disease fund.~~

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

Except as otherwise provided in this subsection,  
the

therefor

If the executive vice chancellor of the university  
of Kansas medical center determines that moneys for  
this program are inadequate to finance the program  
based upon estimated costs for the program  
developed by the university of Kansas medical  
center, the university of Kansas medical center  
shall not establish the program until such  
executive vice chancellor determines that adequate  
moneys are available to finance the program.

If a program for the care and treatment of persons  
suffering from chronic renal diseases is  
established under subsection (a), the

, to the extent moneys are appropriated therefor or  
grants or other funds are received therefor, as may  
be

shall

from

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Attachment 3



Proposed Amendment to HB 2059

Sec. 2. K.S.A. 2000 Supp. 65-2895 is hereby amended to read as follows: 65-2895. (a) There is hereby created a designation of institutional license which may be issued by the board to a person who is a graduate of an accredited school of the healing arts or a school which has been in operation for not less than 15 years and the graduates of which have been licensed in another state or states which have standards similar to Kansas and who is employed as provided in this section. Subject to the restrictions of this section, the institutional license shall confer upon the holder the right and privilege to practice that branch of the healing arts in which the holder of the institutional license is proficient and shall obligate the holder to comply with all requirements of such license. The practice privileges of institutional license holders are restricted as follows: The institutional license shall be valid only during the period in which: (1) The holder is employed by the department of social and rehabilitation services, employed by any institution within the department of corrections or employed pursuant to a contract entered into by the department of social and rehabilitation services or the department of corrections with a third party, and only within the institution to which the holder is assigned; (2) the holder was issued an institutional license prior to May 8, 1997, and is employed to provide mental health services in the employ of a Kansas licensed community mental health center, or one of its contracted affiliates, or a federal, state, county or

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municipal agency, or other political subdivision, or a contractor of a federal, state, county or municipal agency, or other political subdivision, or a duly chartered educational institution, or a medical care facility licensed under K.S.A. 65-425 et seq, and amendments thereto, in a psychiatric hospital licensed under K.S.A. 75-3307b and amendments thereto, or a contractor of such educational institution, medical care facility or psychiatric hospital, and whose practice, in any such employment, is limited to providing mental health services, is a part of the duties of such licensee's paid position and is performed solely on behalf of the employer; or (3) the holder was issued an institutional license prior to May 8, 1997, and is providing mental health services pursuant to a written protocol with a person who holds a license to practice medicine and surgery other than an institutional license.

(b) An institutional license shall be valid for a period of two years after the date of issuance and may be renewed if the applicant for renewal is eligible to obtain an institutional license under this section, ~~has successfully--completed--the examination--required--under--subsection-(a)(3)-of-K.S.A.-65-2873 and-amendments-thereto~~ been approved for renewal by the chief clinical officer of the institution at which the holder of the license is employed or if there is no such officer or if the chief clinical officer is the holder of the license, then has been approved by the chief executive officer of the institution at which the holder of the license is employed and has submitted

evidence of satisfactory completion of a program of continuing education required by the board. The board shall require each applicant for renewal of an institutional license under this section to submit evidence of satisfactory completion of a program of continuing education required by the board of licensees of the branch of the healing arts in which the applicant is proficient.

~~(c) Notwithstanding the provisions of subsection (b), an institutional license may be renewed once for two years if the holder was issued an institutional license prior to May 8, 1997, has successfully completed two years of postgraduate training in the United States and has submitted evidence of satisfactory completion of a program of continuing education required by the board.~~

{d} This section shall be a part of and supplemental to the Kansas healing arts act.