

## MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairman Stephen Morris at 11:25 a.m. on February 25, 2004, in Room 123-S of the Capitol.

All members were present.

### Committee staff present:

Alan Conroy, Director, Kansas Legislative Research Department  
J. G. Scott, Chief Fiscal Analyst, Kansas Legislative Research Department  
Leah Robinson, Kansas Legislative Research Department  
Amy Deckard, Kansas Legislative Research Department  
Norman Furse, Revisor of Statutes  
Judy Bromich, Administrative Analyst  
Mary Shaw, Committee Secretary

### Conferees appearing before the committee:

Joyce Cussimano, Kansas Children's Cabinet  
Angela Ware, PhD, Cosmos Corporation, Bethesda, Maryland  
Melissa Ness, Family Preservation Collaborative and Kansas Children's Cabinet  
Dale Brunton, Director, Division of Accounts and Reports, Kansas Department of Administration

### Others attending:

See Attached List.

## Bill Introduction

Senator Downey moved, with a second by Senator Helgerson, to introduce a bill concerning the membership of the health care data governing board (3rs1481). Motion carried on a voice vote.

Chairman Morris welcomed Joyce Cussimano, Kansas Children's Cabinet, who welcomed Angela Ware, Ph.D, of the COSMOS Corporation, Bethesda, Maryland. Ms. Cussimano explained that Smart Start is an outcomes-based program. She noted that Smart Start allows communities, through their collaborative efforts, have the flexibility to do what they want and need to do in their communities. At the same time, Smart Start provides focus through its five core service areas. Ms. Ware is the project director of the evaluation of Smart Start.

Ms. Ware distributed copies of the Kansas Children's Cabinet and Trust Fund Smart Start Kansas Initiative, State Evaluation Progress Report (Attachment 1). She explained the five core service areas of Smart Start Kansas:

1. Quality of early childhood education;
2. Availability of early childhood education;
3. Affordability of early childhood education;
4. Child health; and
5. Family support

In her testimony, Ms. Ware indicated the following that makes Smart Start a unique initiative:

- Outcomes based and research driven
- Grounded in local collaboration
- Community specific

CONTINUATION SHEET

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE at 11:25 a.m. on February 25, 2004, in Room 123-S of the Capitol.

Committee questions and discussion followed regarding seeing verifiable outcomes and the funding of children's programs. There was discussion regarding the reassurance that Smart Start is based on best practices developed in situations in which the research from those best practices has demonstrated that these kinds of interventions and interactions, by exposure to this kind of program, does move the barometer whether children will get better from having had these interactions. The need for better-developed professionals and people that will stay long-term with these children was also discussed.

Chairman Morris recognized Melissa Ness, Family Preservation Collaborative and Kansas Children's Cabinet, who mentioned that the discussion today was driving toward clarity of expectations about what Smart Start is and what it is not. She noted that they have the same sense of urgency of what can be done to produce the impact on children in the classroom. Ms. Ness explained that the difference in Smart Start is that it is a multi-faceted program approach and they are learning about what works and what does not work. She noted that Smart Start is a very focused program. Ms. Ness addressed the fact that this outcomes-based, very focused approach, can and will have an impact on children. She mentioned that they feel they are building a replicable model so that those outside of the Smart Start programs will begin to use some of this same collaborative effort. She explained that they want to be accountable with the State's investment and that is why they have invested so much time and effort in bringing Ms. Ware to address the questions. (No written testimony was submitted.)

The Chairman opened the public hearing on:

**HB 2669--Setoff collection assistance fee**

**HB 2670--Accounts and reports fiscal reporting**

Staff briefed the committee on the two bills.

Chairman Morris welcomed Dale Brunton, Director, Division of Accounts and Reports, Kansas Department of Administration. Mr. Brunton explained that **HB 2669** amends statutes related to the Accounts Receivable Setoff Program (Attachment 2). He mentioned that there are three substantive amendments as described in his written testimony. Mr. Brunton explained that **HB 2670** formalizes efficiency measures already in place within state government regarding statewide financial reporting, petty cash and imprest funds, and municipal reporting.

Mr. Brunton offered a technical amendment on **HB 2669** for the Committee's consideration (Attachment 3).

There being no further conferees to come before the committee, the Chairman closed the public hearing on **HB 2669** and **HB 2670**.

The meeting adjourned at 12:15 p.m. The next meeting is scheduled for February 26, 2004.

SENATE WAYS AND MEANS COMMITTEE  
GUEST LIST

DATE February 25, 2004

NAME	REPRESENTING
Joyce A Cussimano	KS CHILDREN'S CABINET
Scott Ball	Skil, Parsons, KS.
Shari Weber	Herington KS
Jim Redman	ICS CHILDREN'S CABINET
Angela Ware	COSMOS Corporation
Erika Nilles-Plumlee	Juvenile Justice Authority
Angela Clark	Juvenile Justice Authority
Susan Bumsted	KS State Nurses Assoc.
Rae Seebor	Hein Law Firm
Paula Jasso	SRS

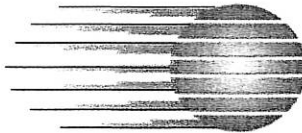


*Kansas Children's Cabinet and Trust Fund  
Smart Start Kansas Initiative*

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**State Evaluation Progress Report**

**Angela Ware, Ph.D.**  
*COSMOS Corporation*



Topeka, Kansas  
February 25, 2004

Senate Ways and Means  
2-25-04  
Attachment 1

# Smart Start Kansas Initiative

*Smart Start Kansas is a comprehensive early childhood initiative that addresses multi-domain and multi-level needs as identified by local communities.*

## ■ Program Activities Address Five Core Service Areas:

1. Quality of early childhood education;
2. Availability of early childhood education;
3. Affordability of early childhood education;
4. Child health; and
5. Family support

## ■ Multiple Levels of Focus:

1. Children
2. Parents/Families
3. Early Childhood Professionals
4. Child Care Centers/Preschools

*Smart Start Kansas is a Unique Initiative.*

## ■ Outcomes Based and Research Driven.

- Grantees must implement *research-based* program activities that have shown evidence of positive outcomes for children aged 0-5.
- Grantees define annual goals for *short-term programmatic outcomes*.
- *Intermediate outcomes* are community-level improvements in early childhood core service areas.
- *Long-term outcomes* are improved school readiness scores among Kansas children entering Kindergarten.

## ■ Grounded in Local Collaboration.

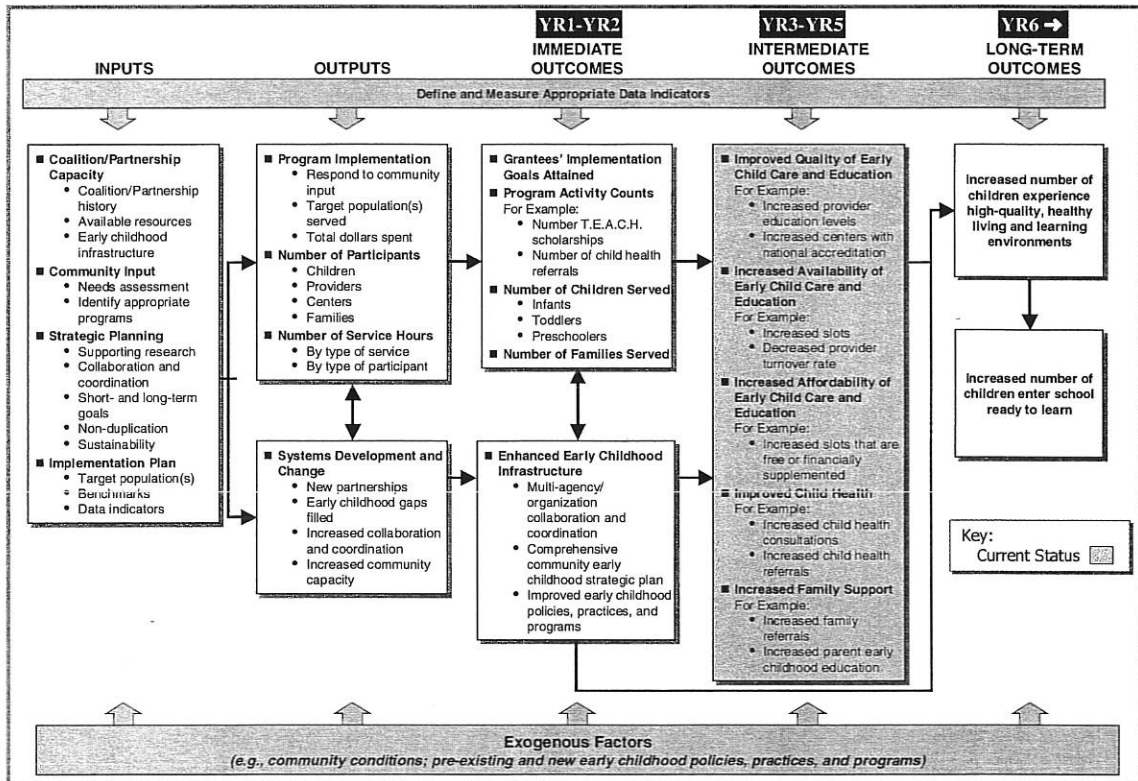
- The initiative demands *local organization and collaboration* among a diverse mix of representatives from the early childhood system and broader community.
- Local coalitions and partnerships conduct community early childhood *needs assessments*, identify *significant gaps* and areas of need, and conduct *strategic planning* to identify appropriate programs and activities to implement in their communities.

## ■ Community Specific.

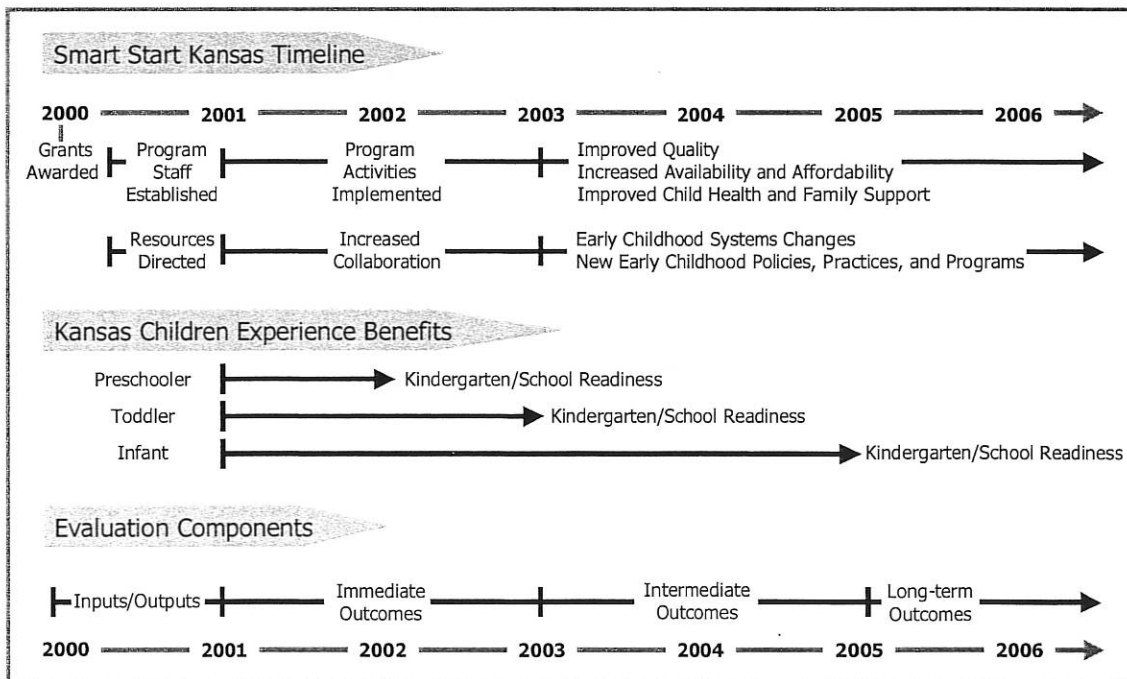
- The premise of Smart Start Kansas is that communities should collaboratively identify and address the *unique early childhood needs* of their communities while all grantees work toward a common set of outcomes.
- Although the expected outcomes are the same for all grantees, the Smart Start Kansas programs and activities that are implemented *vary among the grantees* based on community-defined and community-specific needs.
- Grantees are not prescribed “canned” programs to implement, rather such programs when implemented are often *adapted and customized* for particular needs and resources of the local community.

# Smart Start Kansas Initiative

## Smart Start Kansas Program Logic Model for Cross-Site Analysis



## The Necessity and Importance of a Multi-Year Evaluation



# *Improving Quality of Early Childhood Education for Kansas Children*

## *Highlighted Outcomes*

### ■ **Smart Start Kansas is Increasing Education Levels of Early Childhood Professionals<sup>1, 2</sup>**

- **48** early childhood educators have *received Child Development Associate (CDA) credentials* (62 early childhood professionals are currently working toward a CDA)
- **13** early childhood professionals have *obtained an Associate's degree* in Early Childhood Education (109 early childhood professionals are currently working toward an AA)
- **22** early childhood centers/preschools and family home care providers have *received national accreditation* (30 centers/preschools and family home care providers are currently working toward national accreditation)
- **5,383** hours of *early childhood trainings and workshops* have been supported, facilitated, or provided by Smart Start Kansas to early childhood educators

### ■ **Smart Start Kansas is Decreasing Turnover Rates of Early Childhood Professionals Through Wage Compensation<sup>1</sup>**

- In Kansas City, the average annual turnover rate for participating early childhood directors and teachers has decreased from **45 percent** (prior to Smart Start Kansas) to **22 percent** (in 2002) to **5.5 percent** (in 2003<sup>3</sup>).
- In Salina, the average annual turnover rate for early childhood professionals has decreased from **154 percent** (prior to Smart Start Kansas) to **56 percent** (in 2002) to **13 percent** (in 2003). Moreover, among those early childhood educators who reported leaving their positions for reasons related to career improvement (e.g., seeking higher salary), the turnover rate has dropped from **24 percent** (in 2002) to **5 percent** (in 2003).
- In Crawford County, the staff average annual turnover rate at The Center has decreased from **60 percent** (prior to Smart Start Kansas) to **6 percent** (in 2002) to **0.03 percent** – only one individual left her position (in 2003).

### ■ **In 2003, more than half of early childhood professionals<sup>4</sup> reported the following significant benefits from Smart Start Kansas that resulted in improved quality of care:<sup>2,5</sup>**

- Opportunities to increase education level
- More developmentally appropriate lesson plans
- Increased knowledge of child development (physical, social, and cognitive)
- More nutritious menus
- Increased knowledge of safe, healthy, and child-appropriate environments
- Increased morale and pride related to my profession

<sup>1</sup> Data Source: Grantees' Quarterly Reports.

<sup>2</sup> 2003 data are not shown for Kansas City.

<sup>3</sup> Does not include Kansas City data for the full year.

<sup>4</sup> N=307 center/preschool directors, classroom teachers, and home care providers.

<sup>5</sup> Data Source: Smart Start Kansas Early Childhood Provider Survey.

# Providing Resources to Improve Quality of Early Childhood Education for Kansas Children

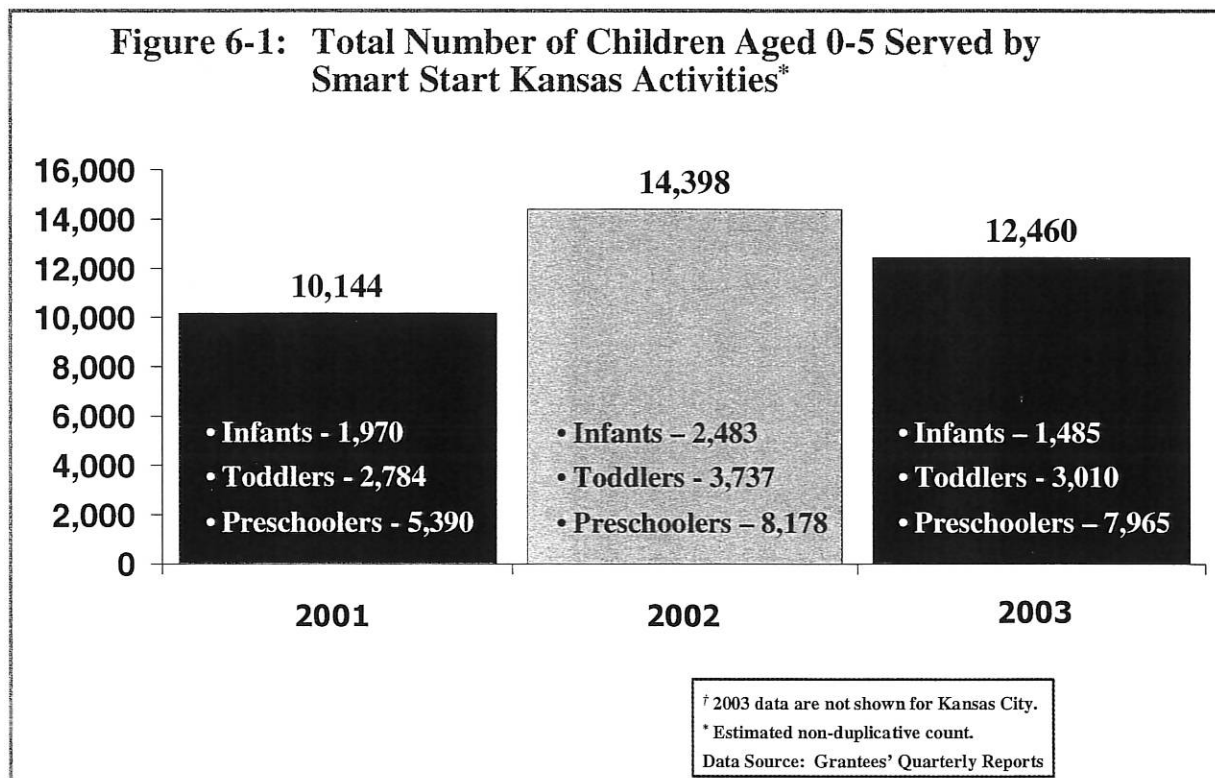
## *Early Childhood Professionals Report That Smart Start Kansas Provides the Necessary Resources to Improve Quality of Early Childhood Education*

- In 2003, more than half of early childhood professionals<sup>1</sup> reported benefitting from resources provided by Smart Start Kansas that improve quality:<sup>2</sup>
  - Enhanced compensation (e.g., WAGE\$) that rewards higher education levels and years of professional experience
  - Early childhood training workshops
  - Financial support to attend early childhood trainings
  - On-site consultation or assistance from a Smart Start-funded specialist such as an early childhood specialist, mental health specialist, family resource specialist, or behavioral/developmental specialist.
  - Educational resources (such as professional materials, age-appropriate toys and books) through a lending library

<sup>1</sup> N=307 center/preschool directors, classroom teachers, and home care providers.

<sup>2</sup> Data Source: Smart Start Kansas Early Childhood Provider Survey.

## *Evaluation Results to Date, December 31, 2003*





**Early Childhood Collaborative Accomplishments  
and Systems Changes in 2003**  
*(New Early Childhood Policies, Practices, and Programs)*

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- **Smart Start of North West Kansas (Colby)**
  - Smart Start Kansas Coalition Helps Broaden Focus of the Local Early Childhood Coordinating Council
  - Early Childhood Education Issues are Prominent at Local “Health and Wellness” Fairs
  - Smart Start Coalition Members are Key Players in the Community’s “Drug Endangered Children” Pilot Program
  - In Collaboration with the Eleven Health Departments in the Service Area, the Coalition Developed and Disseminated Smart Start Kansas Educational Materials to New Early Child Care Providers
  - Coalition Reduced the Number of T.E.A.C.H. Scholarships and Added New “Smart Start Scholarships” that Better Match the Educational Needs of the Local Child Care Providers
- **Crawford County Smart Start (Pittsburg)**
  - Smart Start Kansas Coalition Helps Reduce Barriers Between the Early Childhood System and Undocumented Parents of Children Aged 0-5
  - Smart Start Kansas Leverages New Funds and Improves Health Care Delivery System for Children
  - Gap in Early Childhood Parent Education is Collaboratively Addressed
- **Success By 6 Coalition of Douglas County (Lawrence)**
  - Multi-agency collaborative strategic planning results in expansion of the Smart Start Family Resource Team
  - Smart Start leadership and staff are instrumental in collaboratively garnering available resources for a new early childhood center
  - Smart Start Kansas Framework Allows More Effective and Efficient Use of (Non-Smart Start) Early Childhood Funding and Resources
  - Available Space is Utilized for Needed Child Care Services
- **Raising Riley Smart Start (Manhattan)**
  - Early Childhood Coalition Task Force Coordinates Activity Calendar during “The Week of the Young Child”
  - Early Childhood Coalition Task Force Identifies and Addresses Gaps for Middle-Income Families
  - Early Childhood Coalition Task Force Established Training Program for New Parents at Hospital
  - Smart Start Kansas Provides 20 Scholarships for Children Living in Poverty
  - Early Childhood Educators are Recognized for Incremental Quality Improvement
- **Smart Start of Saline County (Salina)**
  - Chamber of Commerce Makes Early Childhood Education a Top Priority
  - Accreditation Program Expanded to Include Home Care Providers
  - Early Childhood Receives Substantial Resource Allocations
  - Utilization and Reach of Early Childhood Specialist is Increased
  - Memoranda of Understanding Issued to Smart Start Kansas Participants
- **Tri-County Smart Start Kansas Coalition (Kansas City)**
  - Early Childhood Systems Develops a New Vision
  - Measures of Quality Early Childhood Education Expanded
  - Media Coverage Highlights Smart Start Kansas
  - Thank You Campaign Conducted for a Senator and the Governor
- **Smart Start Wichita (Wichita)**
  - Smart Start Kansas Adapts Early Childhood Program Materials to Meet the Needs of Community Members
  - Smart Start Kansas is Identifying and Offering Assistance to Home Care Providers Who are Not Licensed
  - Partnership Expands Standards of Quality for Smart Start Kansas Providers

Data Sources: Grantees’ Quarterly Reports; Smart Start Kansas Collaboration Survey; and Site Visit Interviews.

**Kansas Department of Administration**  
**Howard Fricke, Secretary**

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Topeka, Kansas 66612-1268  
(785) 296-3011

**Senate Ways & Means Committee**  
**HB 2669 – Writeoff of Accounts Receivable; Setoff Collection Fee**  
**HB 2670 – Accounts and Reports Fiscal Reporting**

**Dale Brunton, Director**  
**Division of Accounts and Reports**  
**February 25, 2004**

Good morning Mr. Chairman and members of the Committee. I appreciate the opportunity to discuss with you House Bills 2669 and 2670 proposed by the Department of Administration. I will briefly summarize each bill.

**House Bill 2669** amends statutes related to the Accounts Receivable Setoff Program. The Program accepts debts owed to state agencies, district courts, municipalities, and foreign state agencies and matches them against state payments in process. The amendments represent an effort to further enhance the Program by removing exceptions and bureaucratic processes, and enacting sensible rules for the benefit of participants. There are three substantive amendments.

- The proposed amendments in Section 3(b) provide limited flexibility and increased ease for the fee setting process and allow consistent fees for all state agencies. There are no plans to increase any fees as a result of HB 2669.
- Section 3(c) allows non-state entities to manage the crediting of debtor's accounts as determined by their own laws and policies, rather than those set for State of Kansas agencies.
- Section 4 repeals statutes to eliminate the process to write off debts deemed to be uncollectible. The current process has proven to be ineffective. Enacting some type of statewide writeoff policy is virtually impossible due to the multitude of specific laws and policies controlling the write off of taxes or accounts receivable. Under current law, the written-off debt and all subsequent collections become the property of Accounts and Reports. The amendments discontinue unnecessary processes and simplify rules, and provide a more equitable sharing with state agencies of collection of difficult or older debts.

A technical amendment is offered for the Committee's consideration. Section 3(b)(4) was added for consistency purposes to acknowledge participation by the courts, as authorized in K.S.A. 75-719. The addition was not intended to create new law nor change the Program's relationship with the courts. K.S.A. 75-6202 defines courts as "state agencies" for purposes of the Program and for fees. After consulting with legal staff, the best solution is to eliminate this separate language for the courts and avoid any misinterpretations.

*Senate Ways and Means*  
*2-25-04*  
*Attachment 2*

HOUSE BILL No. 2669

By Committee on Appropriations

1-30

AN ACT concerning the division of accounts and reports; relating to the write off of accounts receivable; setoff collection assistance fee; amending K.S.A. 44-716a and K.S.A. 2003 Supp. 60-2310 and 75-6210 and repealing the existing sections; also repealing K.S.A. 75-3728a, 75-3728c and 75-3728d and K.S.A. 2003 Supp. 75-3728b.

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

Section 1. K.S.A. 44-716a is hereby amended to read as follows: 44-716a. (a) There is hereby created in the state treasury a special fund to be known as the special employment security fund. All interest and penalties collected under the provisions of the Kansas employment security law shall be paid into this fund. No such moneys shall be expended or available for expenditure in any manner which would permit their substitution for, or a corresponding reduction in, federal funds which in the absence of such moneys would be available to finance expenditures for the administration of the employment security law. Nothing in this section shall prevent such moneys from being used as a revolving fund, to cover expenditures, necessary and proper under the law, for which federal funds have been duly requested but not yet received, subject to the charging of such expenditures against such funds when received. Except as otherwise authorized by this section or by appropriations act, the moneys in this fund may be used by the secretary of human resources only for the payment of costs of administration which are found not to have been properly and validly chargeable against federal grants, or other funds, received for or in the employment security administration fund. In addition to the other purposes for which expenditures may be made from the special employment security fund as authorized by this section or by appropriations act, moneys from this fund may be used to finance activities as deemed necessary by the secretary of human resources for the efficient operation of activities under or the administration of the employment security law, except that (1) no moneys shall be used for such purposes unless the secretary has determined that no other funds are available or can be properly used to finance expenditures for such purposes, and (2) expenditures during any fiscal year for purposes authorized under this section shall not exceed \$110,000 except upon approval of the

Amendment requested by the Department of Administration 2/25/04

Senate Ways and Means 4-25-04 Attachment 3

1 state finance council acting on this matter which is hereby characterized  
2 as a matter of legislative delegation and subject to the guidelines pre-  
3 scribed by subsection (c) of K.S.A. 75-3711c and amendments thereto.  
4 No expenditures of this fund shall be made except on written authori-  
5 zation by the governor and the secretary of human resources.

6 (b) The director of accounts and reports is hereby directed to draw  
7 warrants upon the state treasurer against the money in the special em-  
8 ployment security fund for the use and purposes authorized under this  
9 section upon vouchers, approved by the secretary of human resources,  
10 and accompanied by the written authorization of the governor and the  
11 secretary of human resources. The moneys in this fund are hereby spe-  
12 cifically made available to replace, within a reasonable time, any moneys  
13 received by this state pursuant to section 302 of the federal social security  
14 act, as amended, which, because of any action or contingency, have been  
15 lost or have been expended for purposes other than, or in amounts in  
16 excess of, those necessary for the proper administration of the employ-  
17 ment security law. The moneys in this fund shall be continuously available  
18 to the secretary of human resources for expenditure in accordance with  
19 the provisions of this section and shall not lapse at any time or be trans-  
20 ferred to any other fund, except as otherwise authorized in subsection (c)  
21 or subsection (d).

22 (c) In addition to expenditures authorized by this section, the director  
23 of accounts and reports may transfer funds from the special employment  
24 security fund to the accounting services recovery fund as provided in  
25 K.S.A. ~~75-3728b~~ and 75-6210 and amendments thereto.

26 (d) In addition to expenditures authorized by this section, the director  
27 of accounts and reports is directed and authorized to transfer funds from  
28 the special employment security fund to the department of human re-  
29 sources federal indirect cost offset fund on July 1 of each year in the  
30 amount contained in appropriation bills to be expended from the federal  
31 indirect cost offset fund for that fiscal year.

32 (e) In addition to expenditures authorized by this section, the director  
33 of accounts and reports is directed and authorized to transfer funds from  
34 the special employment security fund to the clearing account of the em-  
35 ployment security fund to be expended in the payment of interest due  
36 employers from erroneously collected contributions or benefit cost pay-  
37 ments as provided in subsection (h) of K.S.A. 44-717 and amendments  
38 thereto.

39 Sec. 2. K.S.A. 2003 Supp. 60-2310 is hereby amended to read as  
40 follows: 60-2310. (a) *Definitions.* As used in this act and the acts of which  
41 this act is amendatory, unless the context otherwise requires, the follow-  
42 ing words and phrases shall have the meanings respectively ascribed to  
them:

1 (1) "Earnings" means compensation paid or payable for personal  
2 services, whether denominated as wages, salary, commission, bonus or  
3 otherwise;

4 (2) "disposable earnings" means that part of the earnings of any in-  
5 dividual remaining after the deduction from such earnings of any amounts  
6 required by law to be withheld;

7 (3) "wage garnishment" means any legal or equitable procedure  
8 through which the earnings of any individual are required to be withheld  
9 for payment of any debt; and

10 (4) "federal minimum hourly wage" means that wage prescribed by  
11 subsection (a)(1) of section 6 of the federal fair labor standards act of  
12 1938, and any amendments thereto.

13 (b) *Restriction on wage garnishment.* Subject to the provisions of sub-  
14 section (e), only the aggregate disposable earnings of an individual may  
15 be subjected to wage garnishment. The maximum part of such earnings  
16 of any wage earning individual which may be subjected to wage garnish-  
17 ment for any workweek or multiple thereof may not exceed the lesser of:

18 (1) Twenty-five percent of the individual's aggregate disposable earnings  
19 for that workweek or multiple thereof; (2) the amount by which the in-  
20 dividual's aggregate disposable earnings for that workweek or multiple  
21 thereof exceed an amount equal to 30 times the federal minimum hourly  
22 wage, or equivalent multiple thereof for such longer period; or (3) the  
23 amount of the plaintiff's claim as found in the order for garnishment. No  
24 one creditor may issue more than one garnishment against the earnings  
25 of the same judgment debtor during any one 30-day period, but the court  
26 shall allow the creditor to file amendments or corrections of names or  
27 addresses of any party to the order of garnishment at any time. In an-  
28 swering such order the garnishee-employer shall withhold from all earn-  
29 ings of the judgment-debtor for any pay period or periods ending during  
30 such 30-day period an amount or amounts as are allowed and required  
31 by law. Nothing in this act shall be construed as charging the plaintiff in  
32 any garnishment action with the knowledge of the amount of any de-  
33 fendant's earnings prior to the commencement of such garnishment  
34 action.

35 (c) *Sickness preventing work.* If any debtor is prevented from work-  
36 ing at the debtor's regular trade, profession or calling for any period  
37 greater than two weeks because of illness of the debtor or any member  
38 of the family of the debtor, and this fact is shown by the affidavit of the  
39 debtor, the provisions of this section shall not be invoked against any such  
40 debtor until after the expiration of two months after recovery from such  
41 illness.

42 (d) *Assignment of account.* If any person, firm or corporation sells or  
assigns an account to any person or collecting agency, that person, firm

1 or corporation or their assignees shall not have or be entitled to the ben-  
2 efits of wage garnishment. The provision of this subsection shall not apply  
3 to the following:

4 (1) Assignments of support rights to the secretary of social and re-  
5 habilitation services pursuant to K.S.A. 39-709 and 39-756, and amend-  
6 ments thereto, and support enforcement actions conducted by court trust-  
7 ees pursuant to K.S.A. 23-492, *et seq.*, and amendments thereto;

8 (2) support rights which have been assigned to any other state pur-  
9 suant to title IV-D of the federal social security act (42 U.S.C. § 651 *et*  
10 *seq.*); or

11 ~~(3) assignments of accounts receivable or taxes receivable to the di-~~  
12 ~~rector of accounts and reports made under K.S.A. 75-3728b and amend-~~  
13 ~~ments thereto; or~~

14 ~~(4) (3) collections pursuant to contracts entered into in accordance~~  
15 ~~with K.S.A. 75-719 and amendments thereto involving the collection of~~  
16 ~~restitution or debts to district courts.~~

17 (e) *Exceptions to restrictions on wage garnishment.* The restrictions  
18 on the amount of disposable earnings subject to wage garnishment as  
19 provided in subsection (b) shall not apply in the following instances:

20 (1) Any order of any court for the support of any person, including  
21 any order for support in the form of alimony, but the foregoing shall be  
22 subject to the restriction provided for in subsection (g);

23 (2) any order of any court of bankruptcy under chapter XIII of the  
24 federal bankruptcy act; and

25 (3) any debt due for any state or federal tax.

26 (f) *Prohibition on courts.* No court of this state may make, execute  
27 or enforce any order or process in violation of this section.

28 (g) The maximum part of the aggregate disposable earnings of an  
29 individual for any workweek which is subject to garnishment to enforce  
30 any order for the support of any person shall not exceed:

31 (1) If the individual is supporting a spouse or dependent child (other  
32 than a spouse or child with respect to whose support such order is used),  
33 50% of the individual's disposable earnings for that week;

34 (2) if the individual is not supporting a spouse or dependent child  
35 described in clause (1), 60% of such individual's disposable earnings for  
36 that week; and

37 (3) with respect to the disposable earnings of any individual for any  
38 workweek, the 50% specified in clause (1) shall be 55% and the 60%  
39 specified in clause (2) shall be 65%, if such earnings are subject to gar-  
40 nishment to enforce a support order for a period which is prior to the  
41 twelve-week period which ends with the beginning of such workweek.

42 Sec. 3. K.S.A. 2003 Supp. 75-6210 is hereby amended to read as  
follows: 75-6210. (a) Upon completion of a setoff transaction, the director

1 shall transfer the net proceeds collected to the account or fund of the  
 2 state agency, ~~foreign state agency to which the debt was owed or shall~~  
 3 ~~pay the net proceeds collected to the municipality, foreign state agency or~~  
 4 ~~court to which the debt was owed.~~

5 (b) ~~From the gross proceeds collected by the director through setoff,~~  
 6 ~~the director shall retain a reasonable collection assistance fee in an~~  
 7 ~~amount based on cost, as determined by generally accepted cost allocation~~  
 8 ~~techniques, except that in the case of transactions for collection of debts~~  
 9 ~~arising from the employment security law such fee shall not exceed \$300~~  
 10 ~~for any transaction. The director shall retain a reasonable collection as-~~  
 11 ~~sistance fee from the gross proceeds of collections collected through setoff~~  
 12 ~~on behalf of the following entities:~~

13 (1) a state agency in an amount not to exceed 20%;

14 (2) a municipality ~~as in an amount specified in an agreement entered~~  
 15 ~~into pursuant to K.S.A. 75-6204, and amendments thereto,~~ [, or]

16 (3) a foreign state agency in ~~such an amount as specified in the re-~~  
 17 ~~ciprocual agreement entered into pursuant to K.S.A. 75-6215, and amend-~~  
 18 ~~ments thereto,~~ [, or]

19 ~~(4) a court in an amount specified in a contract entered into pursuant~~  
 20 ~~to K.S.A. 75-719, and amendments thereto.]~~ The director may credit a  
 21 portion of the collection assistance fee to the appropriate account or fund  
 22 of any other state agency that has incurred expenses in assisting in the  
 23 collection of the debt. The amount of the collection assistance fee re-  
 24 tained by the director shall be remitted to the state treasurer in accord-  
 25 ance with the provisions of K.S.A. 75-4215, and amendments thereto.  
 26 Upon receipt of each ~~such~~ remittance, the state treasurer shall deposit  
 27 the entire amount in the state treasury to the credit of the accounting  
 28 services recovery fund.

29 (c) Upon receipt by the state agency, ~~foreign state agency or munic-~~  
 30 ~~ipality of the net proceeds collected, the state agency, foreign state agency~~  
 31 ~~or municipality shall credit the debtor's obligation in the amount of the~~  
 32 ~~gross proceeds collected.~~

33 (d) Except as otherwise prescribed by the director or the secretary  
 34 of administration, any state agency, foreign state agency or municipality  
 35 which receives any payment from a debtor after notification to the debtor  
 36 under K.S.A. 75-6206, and amendments thereto, other than payments  
 37 collected pursuant to K.S.A. 44-718, and amendments thereto, or col-  
 38 lected through the federal government or judicial process, shall remit the  
 39 collection assistance fee imposed under subsection (b) to the director  
 40 which shall be credited to the accounting services recovery fund. If a state  
 41 agency fails to remit the collection assistance fee as required by this sub-  
 42 section, the director may transfer an amount equal to such collection  
 assistance fee from the appropriate account or fund of the state agency

1 to the accounting services recovery fund. If a foreign state agency or  
2 municipality fails to remit the collection assistance fee as required by this  
3 subsection, the director may seek collection of ~~such~~ the fee in ~~such~~ any  
4 manner as ~~may be~~ allowed by law.

5 (e) In cases involving the collection of debts arising from the em-  
6 ployment security law, the entire amount collected shall be credited to  
7 the employment security fund and the collection assistance fee shall be  
8 transferred from the special employment security fund to the accounting  
9 services recovery fund.

10 Sec. 4. K.S.A. 44-716a, 75-3728a, 75-3728c and 75-3728d and K.S.A.  
11 2003 Supp. 60-2310, 75-3728b and 75-6210 are hereby repealed.

12 Sec. 5. This act shall take effect and be in force from and after its  
13 publication in the statute book.

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