

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairman Melvin Neufeld at 9:00 A.M. on March 13, 2006 in Room 514-S of the Capitol.

All members were present except:

Representative Bonnie Huy- excused
Representative Kevin Yoder- excused
Representative Tom Sawyer- excused

Committee staff present:

Alan Conroy, Legislative Research Department
J. G. Scott, Legislative Research Department
Becky Krahl, Legislative Research Department
Matt Spurgin, Legislative Research Department
Michele Alishahi, Legislative Research Department
Amy Deckard, Legislative Research Department
Julian Efird, Legislative Research Department
Mike Corrigan, Revisor of Statutes
Nikki Feuerborn, Administrative Assistant
Shirley Jepson, Committee Secretary

Conferees appearing before the committee:

Shelly Starr, State Department of Corrections
Glenn Deck, Kansas Public Employees Retirement System (KPERs)
Chad Austin, Vice President of Government Relations, Kansas Hospital Association
Diane Gjerstad, Wichita Public Schools
Mark Tallman, Kansas Association of School Boards (KASB)
Denise Moore, Director, Division of Information Systems and Communications (DISC)
Morey Sullivan, Deputy Director, DISC

Others attending:

See attached list.

- Attachment 1 Technical corrections to **SB 480**
- Attachment 2 Proposed amendment to **SB 480**
- Attachment 3 Written testimony on **SB 340** from Roger Werholtz, Secretary, Department of Corrections
- Attachment 4 Testimony on **HB 2996** by Chad Austin, Kansas Hospital Association
- Attachment 5 Testimony on **HB 2996** by Diane Gjerstad, Wichita Public Schools
- Attachment 6 Testimony on **HB 2996** by Mark Tallman, Kansas Association of School Boards (KASB)
- Attachment 7 Written Testimony on **HB 2996** from Terry Forsyth, Kansas National Education Association (KNEA)
- Attachment 8 Presentation by Morey Sullivan, Deputy Director, DISC

Representative Powell moved to introduce legislation concerning retirement of state debt from unanticipated revenue. The motion was seconded by Representative McLeland. Motion carried.

Hearing on SB 480 - Claims against the state.

Amy Deckard, Kansas Legislative Research Department, explained that **SB 480** authorizes expenditures from the State General Fund and various special revenue funds for the payment of specific claims against the State of Kansas. The Senate Committee on Ways and Means amended the bill to add a claim for payment of an expired warrant. The bill, as amended by the Senate Committee on Ways and Means, authorized total expenditures of \$268,438, which includes \$87,963 from operating accounts of the State General Fund, and \$181,476 from other sources.

Representative Bethell moved to adopt a technical correction amendment presented by the Office

CONTINUATION SHEET

MINUTES OF THE House Appropriations Committee at 9:00 A.M. on March 13, 2006 in Room 514-S of the Capitol.

of Revisor of Statutes (Attachment 1). The motion was seconded by Representative Feuerborn. Motion carried.

Representative Pottorff moved to amend **SB 480** by adding language in Section 9, Line 16, stating "The Department of Agriculture is hereby authorized and directed to pay the following amount from the petroleum inspection fee fund as reimbursement for damages incurred by claimant when unleaded gasoline was mistakenly returned to an underground diesel tank following an inspection, to the following claimant: Mike Frisch, 6432 E Central, Wichita, KS 67206 in the amount of \$4,228.79." (Attachment 2) The motion was seconded Representative Feuerborn.

Responding to a question from the Committee, Representative Brunk stated that the damage was caused during an inspection of the facility when diesel that had been drawn for testing was returned to the wrong tank, containing 1500 gallons of gasoline. Representative Brunk indicated that the inspection was done by a contractor employed by the Department of Agriculture. The Committee voiced concern that the contracted service should be responsible for the damage charge.

Representative Feuerborn moved for a substitute motion to delete the language in the amendment stating "petroleum inspection fee fund" and replace with language stating "operating expenditures account of the State General Fund (SGF) of the Department of Agriculture" and include a proviso to request that the Department of Agriculture collect the funds from the contracted testing service. The motion was seconded by Representative Gatewood. Motion carried.

Representative McLeland moved to allow technical corrections to be made to **SB 480** as necessary by the Office of Revisor of Statutes. The motion was seconded by Representative Pilcher-Cook. Motion carried.

Responding to a question from the Committee, Shelly Starr, Department of Corrections, stated that four payments in the legislation to be paid to inmates of the Department of Corrections, are payments for injuries which occurred when the inmates were working in prison kitchens and not covered by workers' compensation.

The hearing on SB 480 was closed.

Representative Feuerborn moved to recommend **SB 480** favorable for passage as amended. The motion was seconded by Representative Pottorff. Motion carried.

Hearing on SB 340 - Cap on employer retirement contributions for security officers employed by the department of corrections.

Julian Efird, Kansas Legislative Research Department, explained that **SB 340** would establish a statutory rate cap on annual employer contribution rate increases for the corrections officer group in the Kansas Public Employees Retirement System (KPERs). The cap would be identical to the current statutory cap on annual rate increases for all other members in KPERs State, School, and Local groups. Without the cap and the passage of **SB 340**, the Department of Corrections estimates that approximately \$1.5 million of additional expenditures from the State General Fund would be required in FY 2007; with the cap, the increase would be limited to less than \$300,000..

Written testimony from Roger Werholtz, Secretary of the State Department of Corrections, in support of **SB 340**, was distributed to the Committee (Attachment 3).

The hearing on SB 340 was closed.

Hearing on HB 2996 - KPERs, benefits, employment after retirement and minimum retirement benefits for certain retirants.

Julian Efird, Kansas Legislative Research Department, explained that **HB 2996** included three items regarding the Kansas Public Employees Retirement System (KPERs):

- Increases the minimum retirement benefit from \$500 to \$625, beginning July 1, 2006, and

CONTINUATION SHEET

MINUTES OF THE House Appropriations Committee at 9:00 A.M. on March 13, 2006 in Room 514-S of the Capitol.

to \$750 beginning July 1, 2007, for retirees of the state school retirement system who had at least 20 years or more of service credit. The estimated fiscal note for this benefit is \$300,000 from the State General Fund if paid at one time to KPERS.

- Raise the working after retirement salary from \$15,000 to \$20,000 for retired KPERS members who return to work for the same employer from whom they retired. There is no cap on going to work for a different employer.
- Would require most participating KPERS employers who hire a retired KPERS employee to pay the KPERS actuarial employer and employee contribution on behalf of the retired member. There would be no payment if the employee returns to work for the same participating employer that they retired from.

Responding to questions from the Committee, Glenn Deck, Kansas Public Employees Retirement System, indicated that there are approximately 7,000 school staff personnel within the school district system who are currently eligible to retire. With regard to putting all school districts under one employer, Mr. Deck indicated that this would put all staff under the \$15,000 or \$20,000 limitation. Mr. Deck stated that the issue would need to be researched to determine if this action would raise other employment issues.

Chairman Neufeld recognized Chad Austin, Kansas Hospital Association, who presented testimony in support of **HB 2996** ([Attachment 4](#)). Mr. Austin noted that the increase from \$15,000 to \$20,000 would allow nurses to work more time throughout the year.

The Chair recognized Diane Gjerstad, Wichita Public Schools, who presented testimony in support of **HB 2996** ([Attachment 5](#)). Ms. Gjerstad indicated that she generally supported the legislation; however, felt that the section pertaining to the receiving district paying the actuarial costs, should be amended to make it clear that these retired employees who are returning to work are employees at will. This would make it clear that the district has flexibility to negotiate salary and conditions. The Committee noted that the suggestion was worthy of discussion and requested that Ms. Gjerstad develop language for an amendment to be presented to the Committee.

Chairman Neufeld recognized Mark Tallman, Assistant Executive Director/Advocacy, Kansas Association of School Boards (KASB), who presented testimony in opposition to **HB 2996** ([Attachment 6](#)). Mr. Tallman noted that his main concern is with the language which makes changes to state law regarding employment of individuals who are already retired under the KPERS system and would require the different participating employer, to pay the actuarial required employer contribution rate plus the employee rate. Mr. Tallman indicated that he would consider amendments to the legislation.

Written testimony from Terry Forsyth, Kansas National Education Association (KNEA), on **HB 2996** was distributed to the Committee ([Attachment 7](#)).

The hearing on HB 2996 was closed.

Chairman Neufeld recognized Denise Moore, Director, Division of Information Systems and Communications (DISC), who introduced Morey Sullivan, Deputy Director, to present a review of DISC services and the process used to retrieve costs for the service ([Attachment 8](#)). Mr. Sullivan stated that DISC performs services for most of state government, including payroll, and charges a fee to the agency for the service.

Mr. Sullivan indicated that rates are established each year and published in July. Mr. Sullivan noted that there has been a decline in funding from the State General Fund (SGF) since FY 2002. The Enterprise Application Rate (EAR) was established in FY 2006 and provides a method for DISC to offset the decline in funding from SGF. Prior to FY 2006, DISC had been operating at a loss. Responding to Committee questions and concerns with regard to the increase in fees charged to some state agencies, Mr. Sullivan indicated that within the new EAR system, some agencies would see declines and some agencies would see increases in the fees charged to their agency depending on the DISC services used by the agency.

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Chairman Neufeld thanked Mr. Sullivan for his testimony.

The meeting was adjourned at 10:45 a.m. The next meeting of the Committee will be held at 9:00 a.m. on March 14, 2006.



Melvin Neufeld, Chairman

SENATE BILL No. 480

By Joint Committee on Special Claims Against the State

1-31

Technical Amendment for Consideration
by House Committee on Appropriations

11 AN ACT concerning certain claims against the state, making appropria-
12 tions, authorizing certain transfers, imposing certain restrictions and
13 limitations, and directing or authorizing certain disbursements, pro-
14 cedures and acts incidental to the foregoing.

15

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

17 Section 1. For the fiscal year ending June 30, 2006, appropriations are
18 hereby made, restrictions and limitations are hereby imposed, and trans-
19 fers, disbursements, procedures and acts incidental to the foregoing are
20 hereby directed or authorized as provided in this act.

21 Sec. 2. The department of revenue is hereby authorized and directed
22 to pay the following amounts from the motor-vehicle fuel tax refund fund,
23 for claims not filed within the statutory filing period prescribed in K.S.A.
24 79-3458 and amendments thereto, to the following claimants:

25	Andover U.S.D. #385	
26	1432 N Andover Rd.	
27	Andover, KS 67002.....	\$6,851.68
28	Arnold, John	
29	HC 1 Box 119	
30	Clayton, KS 67629.....	\$61.58
31	Averie Acres Inc.— Hall, Robert	
32	10727 258th Rd.	
33	Effingham, KS 66023.....	\$40.68
34	Baldock, Lamoine L.	
35	1932 N 150th Rd.	
36	Delphos, KS 67436.....	\$63.18
37	Baxter, John R.	
38	11081 Old Log House Rd.	
	Harveyville, KS 66431.....	\$628.37
	Becker, David	
41	3067 Q Ave.	
42	Herington, KS 67449.....	\$33.00

43

HOUSE APPROPRIATIONS

DATE 3-13-2006

ATTACHMENT 1

1-2

1	Becker, Raymond C.	
2	468 Hwy. 20 West	
3	Lancaster, KS 66041.....	\$315.79
4	Binning, Jerry	
5	HC 2 Box 10	
6	McDonald, KS 67745.....	\$273.24
7	Bogle, George M.	
8	286 S 160th St.	
9	Girard, KS 66743.....	\$309.16
10	Bohm, Duane L.	
11	2190 Evergreen	
12	Elk Falls, KS 67345.....	\$18.60
13	Boyce, Bill J.	
14	1220 Old #4 Hwy.	
15	Council Grove, KS 66846.....	\$959.72
16	Brown, Richard A.	
17	6800 NW 125th	
18	McCune, KS 66753.....	\$95.40
19	Butler County Fire Dist. #3	
20	PO Box 383	
21	Rose Hill, KS 67133.....	\$299.79
22	C. H. White & Sons	
23	PO Box C	
24	Council Grove, KS 66846.....	\$218.16
25	C — C Sanitation Service	
26	2329 10000 Rd.	
27	Osvego, KS 67356.....	\$1,077.44
28	Cederberg, John	
29	RR 1 Box 62	
30	Herndon, KS 67739.....	\$644.23
31	Chamberlain, Keith	
32	220 Q Rd.	
33	Severy, KS 67137.....	\$13.08
34	City of Lebanon	
35	PO Box 182	
36	Lebanon, KS 66952.....	\$762.23
37	City of Waterville	
38	136 E Commercial	
39	Waterville, KS 66548.....	\$323.74
40	Cleland, Wm. Miles	
41	769 E 1650 Rd.	
42	Baldwin, KS 66006.....	\$111.24
43		

Bowin

1-3

1	Coffey County Engineer		
2	110 S 6th St., Rm 5		
3	Burlington, KS 66539.....	\$22,840.32	Warren
4	Constable, Dean		
5	2429 12th Rd.		
6	Blue Rapids, KS 66411.....	\$159.35	
7	Converse, Alan W.		
8	RR 1 Box 24		
9	Garfield, KS 67529.....	\$1,735.29	
10	Covey, George J.		
11	3770 Idaho Rd.		
12	Elsmore, KS 66732.....	\$33.00	
13	Crawford, Robert R.		
14	8138 SW 61st St.		
15	Topeka, KS 66610.....	\$11.88	
16	Crawshaw, Vern L.		
17	RR 1 Box 122		
18	Altoona, KS 66710.....	\$14.28	
19	Curtis, James		
20	1640 Hawk Rd.		
21	Abilene, KS 67410.....	\$33.00	
22	Davies, Evelyn		
23	9049 Lasita Rd.		
24	Leonardville, KS 66449.....	\$21.00	
25	Davis, Dexter F.		
26	RR 1 Box 183		
27	Wetmore, KS 66550.....	\$17.16	
28	Dix, Robert		
29	270 26 Rd.		
30	Stockton, KS 67669.....	\$105.00	
31	Duerksen, Donley N.		
32	325 140th St.		
33	Hillsboro, KS 67063.....	\$315.43	
34	Eagle Well Service Co., Inc.		
35	PO Box 1597		
36	Liberal, KS 67905.....	\$1,280.68	
37	Elliott, Blake		
38	787 Paint Rd.		
	Hope, KS 67451.....	\$215.90	
	Gardner, Cil		
41	1883 County Rd 90		Road
42	Hartford, KS 66854.....	\$340.59	
43			

1-4

1	Garten Bros., Inc.	
2	2305 Fair Rd.	
3	Abilene, KS 67410.....	\$345.60
4	Geffert, William	
5	6915 East Greenfield Rd.	
6	Haven, KS 67543.....	\$32.52
7	Gillogly, Everett E.	
8	29745 Cold Water Rd.	
9	Louisburg, KS 66053.....	\$81.00
10	Goebel, Helen C.	
11	1465 130th Rd.	
12	Yates Center, KS 66783.....	\$40.44
13	Hart, Maxine or Hart, Terry	
14	RR 1 Box 200	
15	Fall River, KS 67047.....	\$45.72
16	Heinen, Virgil L.	
17	1209 Willow Rd.	
18	Huron, KS 66041.....	\$54.60
19	Hesston College [Hesston]	
20	PO Box 3000	
21	Hesston, KS 67062.....	\$53.40
22	Holway, Robert D.	
23	3385 O Rd.	
24	Beloit, KS 67420.....	\$58.68
25	Horgan, Henry Jr.	
26	16190 Trowbridge Rd.	
27	Wheaton, KS 66551.....	\$33.96
28	J & G, Inc. Ramsey, Jon M. Pres.	
29	10200 Rd. 170	
30	Scott City, KS 67871.....	\$180.79
31	Jacobs, Kevin L.	
32	647 N 135th W	
33	Wichita, KS 67235.....	\$33.00
34	Janzen, Howard	
35	15501 W 55th St. South	
36	Clearwater, KS 67026.....	\$98.76
37	K & W Underground, Inc.	
	15608 S Keeler Terrace	
	Olathe, KS 66062.....	\$816.62
40	Kelles Transport Service, Inc.	
41	PO Box 71718	
42	Salt Lake City, UT 84171.....	\$61.96
43		

1-5

1	Kirwin Irrigation District	
2	PO Box 660	
3	Caylord, KS 67638	\$162.00
4	Koch, Joseph C.	
5	516 160th Rd.	
6	Baileyville, KS 66404	\$40.44
7	Kohman, Tim	
8	1049 1700 Ave.	
9	Abilene, KS 67410	\$216.00
10	Korphage, Kenneth	
11	389 Road P	
12	Madison, KS 66860	\$53.16
13	Kunkel, John	
14	1881 Shetland Rd. NE	
15	Waverly, KS 66871	\$101.16
16	L & M Contractors, Inc.	
17	PO Box 1171	
18	Great Bend, KS 67530	\$763.88
19	L & M Well Servicing, Inc.	
20	PO Box 528	
21	Russell, KS 67665	\$591.10
22	L. W. Miller Transportation, Inc.	
23	3237 Conestoga Tr.	
24	Richfield, WI 53076	\$496.33
25	Lawrence Country Club	
26	400 Country Club Terrace	
27	Lawrence, KS 66049	\$1,404.25
28	Leavenworth Country Club	
29	PO Box 227	
30	Lansing, KS 66043	\$1,916.69
31	Leinweber, Carl E. Jr	
32	2443 26th Rd.	
33	Frankfort, KS 66427	\$19.80
34	Leonard, Patrick R.	
35	14567 Elm Moonlight Rd.	
36	Olathe, KS 66061	\$38.76
37	Lew Thompson & Son, Inc.	
38	3237 Conestoga Tr.	
	Richfield, WI 53076	\$343.30
	Linot, John V.	
41	21749 SW Meadowlark	
42	Douglass, KS 67039	\$148.64
43		

Moonlight

9-1

1	Nitcher, Lee	
2	1143 Kingman Rd.	
3	Pomona, KS 66076.....	\$56.52
4	Nutter, Charles M.	
5	RR 2 Box 56	
6	Belleville, KS 66935.....	\$61.08
7	O'Neil, Maurice R.	
8	520 21st Rd.	
9	Beattie, KS 66406.....	\$605.37
10	Osborne, Michael D.	
11	2321 10000 Rd.	
12	Oswego, KS 67356.....	\$3,287.30
13	Parker, Kenneth W.	
14	3120 S 20th St	
15	Manhattan, KS 66502.....	\$56.28
16	Perkins, Don	
17	1024 Limestone	
18	Howard, KS 67349.....	\$112.40
19	Peterson, Kevin	
20	RR 1 Box 12	
21	Garfield, KS 67529.....	\$873.68
22	Pettera, John P.	
23	RT 2 Box 10	
24	Ludell, KS 67744.....	\$54.36
25	Pfannenstiel Bros. — Greg	
26	1763 B Norfolk Rd.	
27	Hays, KS 67601.....	\$734.44
28	Rader Lodge, Inc.	
29	539 W Hwy 24	
30	Downs, KS 67437.....	\$1,302.91
31	Raile, John J.	
32	PO Box 546 3024 Road 64	
33	Edson, KS 67733.....	\$277.34
34	Reed, Melvin H.	
35	1450 K 15	
36	Bennington, KS 67422.....	\$33.00
37	Reichuber, Gerald	
38	127 Hwy 56	
39	Ellinwood, KS 67526.....	\$440.65
40	Riverside Recreation	
41	PO Box 622	
42	St. Francis, KS 67756.....	\$56.76

Jr.

6-1

1	Rottinghaus, Tom E.		
2	RT 2 Box 6E		1131 160 th Rd.
3	Seneca, KS 66538.....	\$93.72	
4	Russell, John D.		1582 115 th St.
5	RR 1 Box 29		
6	Redfield, KS 66769.....	\$47.40	
7	Russell, Paul		
8	576 120th St.		
9	Redfield, KS 66769.....	\$43.56	
10	Schlochtermeyer Farms, L.L.C.		
11	527 SE 80th Ave.		
12	Ellinwood, KS 67526	\$149.04	
13	Schmidt, Mark		
14	906 W 160th S		
15	Caldwell, KS 67022	\$58.20	
16	Schmidt, Shane		
17	1406 W 180th St. S		
18	Caldwell, KS 67022	\$104.28	
19	Sextro Dairy		
20	RR 1 Box 36A		
21	Seneca, KS 66538.....	\$509.54	
22	Shawnee County Fire Dist. #3		
23	PO Box 756		
24	Rossville, KS 66533	\$57.74	
25	Smith & Loveless, Inc.		
26	14040 Santa Fe Trail		
27	Lenexa, KS 66215	\$94.44	
28	Smith County Road Department		
29	218 South Grant		
30	Smith Center, KS 66967.....	\$778.75	
31	Smith, Patricia Ann		Dr.
32	416 Navajo		
33	Holton, KS 66436.....	\$51.00	
34	Smoots, Darrel		
35	25078 Fairmont Rd.		
36	McLouth, KS 66054	\$56.76	
37	STAAB Cattle Co. — Beuno, F.		
38	2040 280th Ave. Staab Cattle Co.		
	2428 Toulon Ave.		
	Hays, KS 67601.....	\$185.11	
41	Steinlage, Dale F.		
42	1309 56th Rd.		
43	Corning, KS 66417	\$14.76	

88
1-1

1	Stenstrom, Larkin H.	
2	474 S 2000 Rd.	
3	White City, KS 66872	\$45.72
4	Stutzman Refuse Disposal, Inc.	
5	315 West Blanchard	
6	So. Hutchinson, KS 67505	\$17,933.30
7	Taton, James A.	
8	1252 NE 110 Rd.	
9	Argonia, KS 67004	\$33.00
10	Thomsen, Lee Roy	
11	PO Box 15	
12	Madison, KS 66860	\$447.30
13	Thowe, Art	
14	1224 S Manhattan Ave.	
15	Manhattan, KS 66502	\$25.08
16	Three Lakes Educational Cooper	
17	1318 Topeka Ave.	
18	Lyndon, KS 66451	\$1,453.54
19	Timber Lakes Camp & Retreat	
20	1375 Rock Creek Rd.	
21	Williamsburg, KS 66095	\$46.68
22	Trinity Academy, Inc.	
23	12345 E 21st St. N	
24	Wichita, KS 67206	\$32.16
25	Umscheid, Donald E.	
26	S905 Rockenham Rd.	
27	St. George, KS 66535	\$52.20
28	U.S.D. 204	
29	2200 S 138th St. PO Box 435	
30	Bonner Springs, KS 66012	\$551.30
31	U.S.D. 298	
32	PO Box 289	
33	Lincoln, KS 67455	\$567.07
34	U.S.D. 337 — Royal Valley	
35	101 West Main — PO Box 219	
36	Mayetta, KS 66509	\$4,538.52
37	U.S.D. 403 Otis — Bison	
38	RR 1 Box 76A	
39	Albert, KS 67511	\$26.76
40	U.S.D. 404	
41	PO Box 290	
42	Riverton, KS 66770	\$274.01
43		

6-1

1 which was in the care, custody and control of the personnel at the Larned
2 correctional facility, to the following claimant:

3 Daniel W. Humbarger #67678
4 4580 N Old 81 Highway
5 Salina, KS 67401 \$55.69

6 (j) The department of corrections is hereby authorized and directed to
7 pay the following amount from the Hutchinson correctional facility —
8 facilities operations *account of the state general* fund as reimbursement
9 for personal injury and lost wages while claimant was in the care, custody
10 and control of the Hutchinson correctional facility, to the following claim-
11 ant:

12 Jason Ray King #68586
13 PO Box 1568
14 Hutchinson, KS 67504—1568 \$1,000.00

15 (k) The department of corrections is hereby authorized and directed
16 to pay the following amount from the Hutchinson correctional facility —
17 facilities *account of the state general* operations fund as reimbursement
18 for personal injury while claimant was in the care, custody and control of
19 the Hutchinson correctional facility, to the following claimant:

operations

20 Timothy D. Park #68684
21 PO Box 1568
22 Hutchinson, KS 67504—1568 \$1,000.00

23 (l) The department of corrections is hereby authorized and directed to
24 pay the following amount from the Larned correctional mental health
25 facility — facilities operations *account of the state general* fund as re-
26 imbursement for personal injury, pain and suffering and lost wages in-
27 curred while claimant was in the care, custody and control of the Larned
28 correctional mental health facility, to the following claimant:

29 Terry Walter Andruszczak #81041
30 RR 3, Box 30
31 Larned, KS 67550 \$1,000.00

32 (m) The department of corrections is hereby authorized and directed
33 to pay the following amount from the Larned correctional mental health
34 facility — facilities operations *account of the state general* fund as re-
35 imbursement for personal injury while claimant was in the care, custody
36 and control of the Larned correctional mental health facility, to the fol-
37 lowing claimant:

38 Wayne Edson Durnin #77691
39 PO Box E
40 Larned, KS 67550 \$1,000.00

41 (n) The department of corrections is hereby authorized and directed
42 to pay the following amount from the Hutchinson correctional facility —
43 facilities operations account of the state general fund for loss of claimant's

SENATE BILL No. 480

By Joint Committee on Special Claims Against the State

1-31

11 AN ACT concerning certain claims against the state, making appropri-
12 tions, authorizing certain transfers, imposing certain restrictions and
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35	1932 N 150th Rd.	
36	Delphos, KS 67436.....	\$63.18
37	Baxter, John R.	
38	11081 Old Log House Rd.	
	Harveyville, KS 66431.....	\$628.37
	Becker, David	
41	3067 Q Ave.	
42	Herrington, KS 67449.....	\$33.00
43		

HOUSE APPROPRIATIONS

DATE 3-13-2006
ATTACHMENT 2

2-2

1 disabled adult, to the following claimant:
2 Jeremie O. Brumley c/o Alberta Brumley
3 16660 Switzer

4 Olathe, KS 66062 \$25,000.00

5 (f) The department of social and rehabilitation services is hereby au-
6 thorized and directed to pay the following amount from the social welfare
7 fund as reimbursement for expenses incurred in attempting to protect
8 claimant's copyright interest in brochures prepared for the department
9 of social and rehabilitation services, to the following claimant:

10 Lawson Phillips
11 4900 SW West Hills Drive

12 Topeka, KS 66606 \$24,596.50

13 *Provided*, That prior to the payment of this amount the director of ac-
14 counts and reports shall obtain from the claimant a written release and
15 satisfaction of all copyright interest and of all claims and rights against
16 the state of Kansas and any agencies or officers of the state of Kansas for
17 the brochures for the state children's health insurance program which
18 were the subject of this claim.

19 *Sec. 8. The department of administration is hereby authorized*
20 *and directed to pay the following amount from the canceled war-*
21 *rants payment fund as reimbursement for an expired warrant, to*
22 *the following claimant:*

23 Clinton Vawter
24 305 N. Kansas

25 Carbondale, KS 66414 \$1,700.92

26 ~~Sec. 9.~~ (a) Except as otherwise provided by this act, the director of
27 accounts and reports is hereby authorized and directed to draw warrants
28 on the state treasurer in favor of the claimants specified in this act, upon
29 vouchers duly executed by the state agencies directed to pay the amounts
30 specified in such sections to the claimants or their legal representatives
31 or duly authorized agents, as provided by law.

32 (b) The director of accounts and reports shall secure prior to the pay-
33 ment of any amount to any claimant, other than amounts authorized to
34 be paid pursuant to section 2 as motor—vehicle fuel tax refunds or as
35 transactions between state agencies as provided by this act, a written
36 release and satisfaction of all claims and rights against the state of Kansas
37 and any agencies, officers and employees of the state of Kansas regarding
38 their respective claims.

39 ~~Sec. 9.~~ (10.) This act shall take effect and be in force from and after its
40 publication in the Kansas register.

Sec. 9. The department of agriculture is hereby authorized and
directed to pay the following amount from the petroleum inspection fee
fund as reimbursement for damages incurred by claimant when unleaded
gasoline was mistakenly returned to an underground diesel tank following
an inspection, to the following claimant:

Mike Frisch
6432 E. Central
Wichita, KS 67206 \$4,228.79

10.

11.



KANSAS

KANSAS DEPARTMENT OF CORRECTIONS
ROGER WERHOLTZ, SECRETARY

KATHLEEN SEBELIUS, GOVERNOR

Testimony on SB 340
to
The House Appropriations Committee

By Roger Werholtz
Secretary
Kansas Department of Corrections

March 13, 2006

The Department of Corrections supports SB 340. SB 340 establishes a statutory rate cap on the annual employer contribution rates for the corrections officer subgroup of KPERS. The cap is identical to the cap for KPERS State, School, and Local Groups. When these caps were enacted two years ago, the corrections' officers subgroup of KPERS was inadvertently not included in the caps. The employer contribution rate for corrections officers and unit team staff would be capped at 6.24%. For support personnel, the rate would be capped at 6.10%. Without the rate caps, an additional \$1.5 million would be required in FY 2007; with the cap, the increase will be limited to less than \$300,000. This amount is included in the Governor's Budget.

The department urges favorable consideration of SB 340.



Thomas L. Bell
President

To: House Appropriations Committee Members
From: Chad Austin, Vice President of Government Relations
Date: March 13, 2006
RE: House Bill 2996

TESTIMONY IN SUPPORT OF HOUSE BILL 2996

The Kansas Hospital Association (KHA) appreciates the opportunity to submit testimony in support of House Bill 2996. Last session House Bill 2623 was passed and amended current law by permitting retired LPNs and RNs to return to work at a KPERS-participating facility without being subject to an annual income cap of \$15,000 and was welcomed by our members. This was a good first step toward enabling experienced nurses to return to their former employer and assume a hard-to-fill position.

The Legislature became aware of the \$15,000 income cap problem when in 2003, nursing leaders and educators from across the state were asked to testify before the Legislative Budget Committee regarding the nursing shortage in Kansas. At the conclusion of the presented testimony, the Budget Committee requested that a group comprised of those who testified meet and report back to the Committee those ways in which the legislature could assist with the nursing shortage.

In response to the above request, KHA convened the Kansas Nursing Workforce Partnership to draft several recommendations for the legislature to implement to assist with the nursing shortage in Kansas.

One of these recommendations was to lift the KPERS restriction for all nurses wishing to return to a KPERS-participating hospital to work. The health care entities experiencing nurse shortages and impacted by this law are 18 community hospitals that participate in the KPERS program.

HOUSE APPROPRIATIONS

DATE 3-13-2006
ATTACHMENT 4

Kansas Hospital Association

215 SE 8th Ave. • P.O. Box 2308 • Topeka, KS • 66601 • 785/233-7436 • Fax: 785/2

The Kansas Hospital Association supports the portion of House Bill 2996 that increases the current income cap from \$15,000 to \$20,000 for those retirees returning to the KPERS facility from which they retired. Our members have related to us that the income cap of \$15,000 severely restricts how much time one of these valuable, experienced health care employees can work before they hit this income threshold. For this reason, KHA strongly supports any initiative which increases or eliminates the income cap.

One aspect of House Bill 2996 that causes concern to our member hospitals is the provision in section 5 that requires employers, who hire KPERS retirees from another KPERS institution, to pay both the employer and employee KPERS contributions. According to KPERS officials, this amount would total approximately 11-12% of the salary paid to the employee. Current law does not require any employer to pay KPERS contributions for retirees who return to work. House Bill 2996 creates a burden for employers by requiring them to pay the KPERS contributions which discourages them from hiring KPERS retirees. This is especially troublesome as our state is experiencing a health care workforce shortage. For this reason, KHA does not support requiring employers to pay both the employer and employee KPERS contributions.

Retired workers, who are seasoned and possess invaluable experience, should be given every opportunity to return to the workforce and have the opportunity to earn more than \$15,000 per year.

For this reason, the Kansas Hospital Association supports raising the income cap as outlined in House Bill 2996. KHA does not support requiring employers to pay both the employer and employee KPERS contributions.

Thank you for the opportunity to present this testimony.



House Appropriations
Representative Neufeld, chair

H.B. 2966 -- KPERS

Diane Gjerstad
Wichita Public Schools

March 13, 2006

Mr. Chairman, members of the Committee:

Today Wichita is short 25 special education vacancies and 4 math teachers. No Child Left Behind has increased requirements for 'highly qualified' teachers and paras. The State Board has increased graduation requirements. Recent changes in the State's special education regulations will mean Wichita will be required to hire a significant number of additional paras. The teacher workforce is aging. Colleges of Education have too few entrants, especially in science and math.

H.B. 2996 is a measured step in KPERS adjustments:

- We support the provision to increase the earnings limitation from \$15,000 to \$20,000. This is the issue I hear from the most clerical retirees. Clerks or secretaries who have been retired for a number of years and want to work a few months to pay the bills. To quote from the KPERS memo: "...increase from \$15,000 to \$20,000 annually is relatively modest...is not expected to motivate behavioral changes...do not expect the cost to be significant."
- We support the increase proposed by Rep. Ward to assist those few surviving teachers retired under the former teacher retirement system.
- And finally we support the provisions on page 2 (5) which would require the receiving district to pay the actuarial costs to hire a KPERS retiree. However, we doubt this provision will be useful because these retirees will walk into the receiving district with the as fully vested employees – not retirees. We would ask the committee to further amend this provision to make it clear these *retired* employees who return to work are employees at will. This would make it clear the district has flexibility to negotiate salary and conditions; some districts might not be able to afford the salary plus 15% actuarial cost. Or if after a year a new teacher candidate fresh from college comes to town, the district should be able to hire the new teacher without any collective bargaining consequences.

For these reasons, if school districts are going to be charged with a 15% 'surcharge' to hire this class of employees, we would ask for the concession of flexibility.

Thank you, Mr. Chairman and members of the committee, for your consideration.

HOUSE APPROPRIATIONS

DATE 3-13-2006
ATTACHMENT 5

KANSAS
ASSOCIATION



OF
SCHOOL
BOARDS

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

Testimony on **HB 2996**
before the
House Committee on Appropriations
by

Mark Tallman, Assistant Executive Director/Advocacy
Kansas Association of School Boards
March 12, 2006

Mr. Chairman, Members of the Committee:

Thank you for the opportunity to offer comments on **HB 2996**. This bill would make changes to state law regarding employment of individuals who already retired under the KPERS system. It would require that if school district or other participating employer hires someone who has retired from a different participating employer, that district must pay the actuarially required employer contribution rate plus the employee rate. It would also raise the threshold for persons working after retirement for the same employer from \$15,000 to \$20,000.

Over the past several years, our association has taken steps to help school board members understand the financial issues facing the KPERS system and develop positions in response to those issues. Several of these issues were considered in detail this summer by our Association's Legislative Committee. That committee recommended a position that was adopted in December by KASB members voting at our annual Delegate Assembly. That position contains the following points:

- We oppose requiring school districts to make contributions on behalf of employees working after retirement. School districts who hire these individuals often do so because they are the best qualified – if not the only qualified – persons available. We do not believe such districts should “pay a penalty” to hire individuals who retired as permitted by state law, to fill positions in order to meet standards set by state education policy.
- We particularly oppose making such a change apply to persons who have already been hired. In the case of teachers, these individuals have tenure and collective bargaining rights under state law. As we understand the intent of **HB 2996**, it is NOT retroactive; it only applies to persons who are hired after the effective date of the act.
- If a KPERS contribution is required for these employees, we believe these employees should also contribute. As **HB 2996** is currently written, we believe teachers and other members of the bargaining unit under the Professional Negotiations Act would be covered by the agreement between the district and the teacher association. Until the board was able to bargain a different arrangement, retired teachers would be entitled to the same rate of compensation as non-retired teachers. If the school district is responsible for making a significant contribution for these

HOUSE APPROPRIATIONS

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ATTACHMENT 6



House Appropriations Committee
Terry Forsyth; KNEA
March 13, 2006

House Bill 2996

There are two sections to House Bill 2996 two of which we support and one with which we have concerns.

We support raising the cap on what a teacher returning to work in the school district from which they retired to \$20,000 from the current \$15,000. This would be of minimal cost to the KPERS system. Lifting the cap would be an incentive for teachers to return to the classroom and a benefit to school districts in need of teachers.

We support the provisions of the bill which would give a minimum retirement benefit to those who retired before January 1, 1971. These are the people who you helped by giving the 13th check, but the benefit for this small group remains as the smallest benefit paid by the system. This also would be of minimal cost to the KPERS system with approximately 30 former teachers who would qualify.

We are concerned about the unintended consequences of the section of the bill that would require the school district who hires a retired teacher to pay the actuarial employer and employee contribution to KPERS. This requirement could serve as a disincentive for districts to hire retired teachers for teaching positions that the district cannot otherwise fill.

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ATTACHMENT 7



DIVISION OF INFORMATION SYSTEMS & COMMUNICATIONS

Division of Information Systems and Communications

Denise Moore

DISC Director

Morey Sullivan

DISC Deputy Director

HOUSE APPROPRIATIONS

DATE

3-13-2006

ATTACHMENT

8



DISC Services

Computing Platforms

- Mainframe
- UNIX/Open Systems
- Windows

Hosting Services

- Applications
- Hardware
- Customer Servers

Network Services

- Wide Area Network
- Local Area Network
- Internet
- Criminal Justice Information System
- 24x7 Network Control Center
- Installation & Repair
- Dial Tone
- Long Distance

Security

- Off Site Data Center
- Disaster Recovery
- Hot Site

Web Development

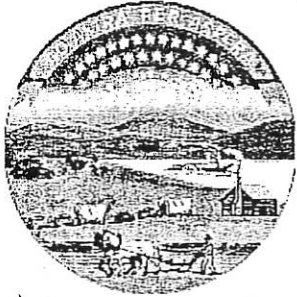
- Small Agency Services
- D of A Customer Support

Mail Services

- Interoffice Mail
- Optical Reading-Presort

Mainframe Printing

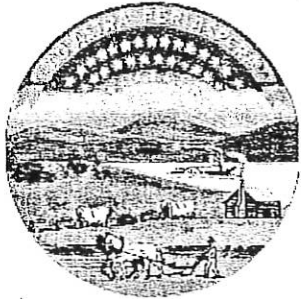
- Paychecks
- Vendor Warrants
- Tax Forms
- Vehicle Renewals
- Delinquent Tax Letters
- Nursing License Renewals



Rate Process

- Fee for service
- Regulated by United States Department of Health and Human Services
 - State agencies use federal dollars to pay our bills
 - OMB Circular A-87 – *Cost Principles for State, Local and Indian Tribal Governments*
- Published mid July
 - DOB budget instructions
 - Posted on DISC web site

7-8



Off Budget Process

- Agencies use DISC rates in preparing their IT budgets
- Governor submits budget to Legislature
- Legislature appropriates SGF to agencies
- Agencies use SGF appropriated funds to pay their DISC bills
- DISC pays its vendors with money it receives from agencies
- Avoids double counting expenses

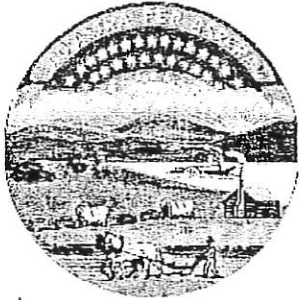
5-8



Rate Setting Steps

1. All costs assigned to cost centers
2. Group like cost centers into rate centers
3. Add 60-day working capital in accordance with OMB Circular A-87
4. Apply prior fiscal year profit/(loss)
 - Subtract profit
 - Add loss
5. Add Steps 2 through 4 to equal costs to recover
6. Divide utilization into costs to recover to calculate rate

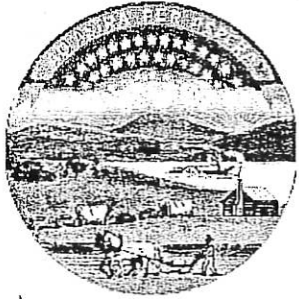
8-6



Rate Setting Example Voice Mail Rate

1. Assign voice mail server maintenance to cost center 845 for voice mail services - \$16,326
2. Total voice mail rate center - \$92,857
3. Add working capital:
$$\$92,857 \times .1667 = \$15,476$$
4. Add FY 2005 loss of (\$6,196)
5. Add steps 2 through 4:
$$\$92,857 + 15,476 + 6,196 = \$114,529$$
6. Divide utilization into number of mail boxes for rate:
$$\$114,529 / 69,000 \text{ mail boxes} = \$1.66$$

1-8



DISC Budget

- DISC budget for FY 2006:

\$38,819,788	Off Budget
2,684,329	SGF
<u>750,000</u>	Federal Grants
\$42,254,117	

- Declining SGF:

\$5.42 million FY 2002
\$2.68 million FY 2006



Cost Saving Measures

- Reviewed expenses
- FTE Reductions
- Move KanWIN backbone to KDOT fiber
- Metropolitan Area Network (MAN) provides increased bandwidth that directly results in less cost to the agency
- Renegotiate vendor contracts

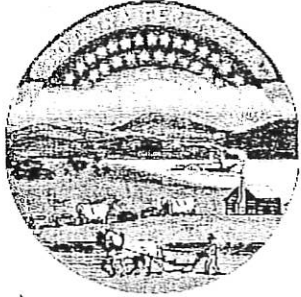


Additional Investments

Investments consist of new initiatives, upgrades and equipment replacement

- New Technologies
 - Wireless Switching (WIFI)
 - Voice over Internet Protocol (VoIP)
- Security Function
 - Included in KANWIN rate
 - Intrusion detection and prevention

01-8



Enterprise Application Rate Information Sheet

- EAR provides a method for DISC to offset the \$2.7 million reduction in SGF for Enterprise Applications: SHARP, STARS and the Budget Management System.
- DISC could not provide adequate support for these enterprise applications without implementing EAR.
- Formerly expenses for enterprise applications were contained in the mainframe usage rate, telecommunications data connect fees (KANWIN) and the DISC surcharge.
- This new method implemented in FY 2006, more correctly associates expenses directly with income in the respective DISC rate centers.
- EAR redistributed overhead within DISC rates.

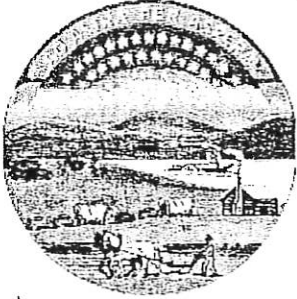
11-8



Enterprise Application Rate Information Sheet

- Until FY 2006 DISC never fully recovered the costs of providing SHARP to the enterprise.
- The mainframe rate has decreased from \$875 per usage hour in FY 2004 to \$475 in FY 2006. Two factors have caused this decrease:
 1. Expiration of Service Level Agreement with SRS & Labor
 2. Implementation of EAR
- Data connect fees (KANWIN) have decreased from \$45 per device in FY 2004 to \$35 per device in FY 2006.
- The administrative surcharge has decreased from 5% in FY 2004 to 2.5% in FY 2006.
- Dial tone has decreased from \$20.00 per phone in FY 2004 to \$17.50 in FY 2006.

8-12



Enterprise Application Rate Information Sheet

- EAR implementation was mostly revenue neutral for state agencies using a wide array of DISC services.
- EAR Rates
 1. State Agencies \$3.75 per employee per pay period
 2. Regents \$2.00 per employee per pay period
- Information about implementation of EAR was included in the budget instructions for FY 2006 made available July 2004.



Downward Trend in Rates

Rate Category - Measure	FY 2004	FY 2005	FY 2006	FY 2007
CPU Processing - Hour	\$875	\$875	\$475	\$450
Tape Storage - Hour	\$25	\$25	\$15	N/A
Disk Storage - 1,000 Hour	\$0.00050	\$0.00050	\$0.00025	N/A
Data Storage - Mb stored/month	N/A	N/A	N/a	\$0.0075
SHARP Processing - Warrant	\$0.35	\$0.35	N/A	N/A
Enterprise App State - Pay Tran.	N/A	N/A	\$3.75	\$3.75
Enterprise App Regents - Pay Tran.	N/A	N/A	\$2.00	\$2.00
KANWIN Node - Data Jack	\$45	\$40	\$35	\$35
Dial Tone - Per telephone	\$20.00	\$20.00	\$17.50	\$17.50
Administrative Surcharge (SGF)	5.00%	5.00%	2.50%	2.50%