

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairman Dwayne Umbarger at 10:40 A.M. on January 25, 2007, in Room 123-S of the Capitol.

All members were present except:

Senator Mark Taddiken- excused

Committee staff present:

Jill Wolters, Senior Assistant, Revisor of Statutes
Alan Conroy, Director, Kansas Legislative Research Department
J. G. Scott, Kansas Legislative Research Department
Michele Alishahi, Kansas Legislative Research Department
Audrey Dunkel, Kansas Legislative Research Department
Julian Efrid, Kansas Legislative Research Department
Michael Steiner, Kansas Legislative Research Department
Melinda Gaul, Chief of Staff, Senate Ways & Means
Mary Shaw, Committee Assistant

Conferees appearing before the committee:

Glenn Deck, Executive Director, Kansas Public Employees Retirement System (KPERs)
Rochelle Chronister, Chair, 2010 Commission

Others attending:

See attached list.

Chairman Umbarger mentioned that there will be a joint meeting with the Senate Judiciary committee regarding the SB 123 study/consultant to be held in Room 123-S from 11:45 a.m. to 1:15 p.m. There will not be a Senate Ways and Means meeting on Tuesday, February 27, 2007, so that time will be available for subcommittees to meet. Information was distributed from Helen Pedigo, Executive Director, Kansas Sentencing Commission, in response to requests from the Committee from the January 16, 2007, meeting (Attachment 1).

The Chairman welcomed Glenn Deck, Executive Director, Kansas Public Employees Retirement System (KPERs) who presented an overview of KPERs (Attachment 2). Mr. Deck addressed KPERs funding and initiatives. He noted that with recent funding improvements, KPERs is in actuarial balance but significant challenges remain and that KPERs funding outlook is volatile because of investment markets. This was detailed in his written presentation. As the final piece of the long-term funding plan for KPERs, Mr. Deck explained that the Joint Committee on Pensions, Investments and Benefits has been considering plan design changes for future members during the last several years. He explained the recommended plan design objectives and features. In closing, Mr. Deck addressed other legislative issues. They are deferred compensation plan administration, tax-free insurance premium deduction for public safety officers and minor legislative amendments. Committee questions and discussion followed. Additional information was distributed regarding Issue Briefing, Kansas Public Employees Retirement System (Attachment 3).

Chairman Umbarger welcomed back Rochelle Chronister, Chair, 2010 Commission, who was invited to appear before the Committee to respond to additional questions (Attachment 4). Ms. Chronister explained that questions regarding the Minority Report that was attached to the 2010 Commission Report should be directed to Mr. Stephen Iliff, author. The Committee discussed the definition of the free lunch program (addressed in the minority report) and their concern with the reporting structure. It was noted that there is a problem with the ability of school districts to get information from the federal government regarding income levels in order to verify qualifications for the free lunches.

The hearing on **SB 21** that was scheduled for this meeting will be re-scheduled for a future meeting.

The meeting adjourned at 11:55 a.m. The next meeting is scheduled for January 26, 2007.

**SENATE WAYS AND MEANS COMMITTEE
GUEST LIST**

Date January 25, 2007

Name	Representing
D Appin	Division of the Budget
Julia Thomas	DOR
R Chronister	2010
Mary Beth Green	KPERS
Glenn Deck	KPERS
GARY ADKINS	SEAK
PAT LEHMAN	KFSA
MARK BOZAN-GK	CAPITOL STRATEGIOS
Richard Sams	Kenny Law
Natalie Haag	Security Benefit
Emily Geier	Hein Law Firm
Renee Wilson	KBOR
Joe Deery	KBOR
Richard Wirtz	Wichita Public Schools
Karen Boe Hill	Wichita Public Schools
DAVID SCHAUER	KNEA
Scott Frank	LPA
Nancy P. Sidwell	KARSP
Pat Hurvey	PAT HURVEY #60
Jim MILLER	NARFE - KPERS
RONALD RICHEY	ME
Ed Redman	KSCFF
Dennis Phillips	KSCFF



KANSAS

KANSAS SENTENCING COMMISSION

Honorable Ernest L. Johnson, Chairman
Attorney General Paul Morrison, Vice Chairman
Helen Pedigo, Executive Director

KATHLEEN SEBELIUS, GOVERNOR

MEMORANDUM

To: Senate Ways and Means Committee
Senator Dwayne Umbarger, Chairman

From: Helen Pedigo, Executive Director

Date: January 24, 2007

Re: Follow-up to Adult Population Projections Testimony, January 16, 2007

In response to questions asked during my testimony last week, I offer the following:

In response to questions by Senators Taddiken and McGinn regarding probation violators, I have attached two studies done by the JFA Institute in Washington, D.C.: one on Kansas Community Corrections probation violators that shows information regarding Kansas probation revocations and the other analyzing parole and probation data.

In response to Senate President Morris' question, a large majority of sex offenders sentenced under Jessica's Law will serve their time and then be released without being found a predator, as a very small portion of a percentage of the prison population are found to be predators. As of November 13, 2006, there were 150 residents residing at the Predator Unit, an additional 10 who were on some type of release status, 4 who were on detainer and 8 who had died, for a total of 172 residents over the ten-year period since the first in 1996, after the program's inception in 1994. There is little data to show whether or not there will be more, less, or the same number of sex offenders occupying our civil commitment facilities. Florida was the first state to adopt both pieces of legislation that Kansas has now adopted and Kansas was not far behind. Florida is also looking at this issue.

In response to Senator Kelly's question, the graph handout outlining the projections in FY 2000, prior to the implementation of SB 323 and as a result of SB 323 should NOT be construed to line up with present population projections for FY 2010. The same is true of the handout showing the projection prior to adoption of SB 123 and after SB 123. We did an overlay of the FY 2001 projection over the FY 2000 projection and the FY 2004 projection over the FY 2003 projection. Other laws have come and gone during

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1-25-07
Attachment 1

the 7 years between the first slide and now that would affect the present population projections and what the population would be in FY 2010.

In response to Senator Barone's question, I was in error contributing the 2007 increase to Jessica's Law. The effects of Jessica's Law begins in FY 2008. The FY 2007 increase is due to:

1. The increase of probation condition violators. This group has continuously increased since FY 2002 from 1,454 violators to 2,038 violators in FY 2006, a 40% increase or 584 admissions.
2. New court commitments increased by 8.1% or 121 admissions in FY 2006 when compared with that of FY 2005.
3. The 1.7% annual growth rate, an increase from 1.2% used the previous year.
4. The stacking effect in prison population. Over the past five years, Nondrug severity level 1 offenders increased from 690 inmates in FY 2002 to 832 inmates in FY 2006 and offgrid inmates increased from 668 in FY 2002 to 722 in FY 2006. Drug felonies also saw an increase in average length of stay during FY 2006 and this affects the stacking effect in FY 2007.

In response to Senator McGinn's questions, a handout is included which summarizes information from other states and research on alternatives to prison. A handout listing selected felonies by severity level is also attached. A full listing may be found on our website at:

<http://www.kansas.gov/ksc/2006desk/2006%20Kansas%20Criminal%20Code.xls>

I hope this information is helpful to you. Please contact me if you have other questions.

The JFA Institute
Washington, D.C./Austin, Texas

Conducting Justice and Corrections Research for Effective Policy Making

Kansas Revocation Study

**Final Report: Analysis of Community Corrections Data
from 2003-2005**

**Correction Options Technical Assistance (COTA),
Bureau of Justice Assistance Program**

**Jason Bryl
Dr. Tony Fabelo**

**The JFA Institute
Austin, Texas Office**

June 2006

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Summary

This is the final report for the Kansas Department of Corrections (KDOC) related to an examination of probation violation practices that have been conducted as part of the Technical Assistance Corrections Options (COTA) program. A prior preliminary report was reviewed with Kansas officials in May 2006. The project was also coordinated with technical assistance provided by the Council on State Governments as part of the Kansas Re-Entry and Justice Reinvestment projects. This report mirrors another JFA report exploring parole revocations.

Computerized data from the KDOC was collected for the years 2003-2005 to examine revocation patterns. The data was provided from the TOADS system, which is a case record management system that includes probation revocation data. This is the first time that the TOADS data has been used for this type of analysis. The highlights of the analysis show:

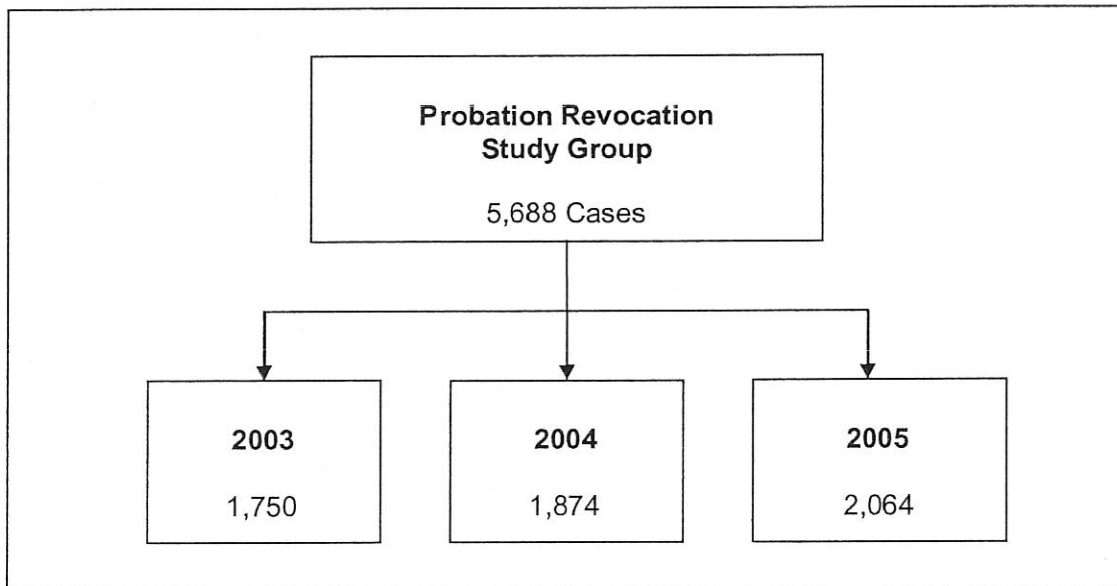
- The number of revocations increased 18% between 2003 and 2005 with each of the four highlighted counties in the study experiencing an increase in the number of revocations
- Technical revocations accounted for 92% of all revocations in the study and increased as a percentage of all revocations from 89% in 2003 to 94% in 2005
- The percentage of low risk offenders being revoked increased from 9% of all revocations in 2003 to 14% of all revocations in 2005
- 44% of all offenders were revoked within 12 months of being placed on probation
- In 2005, 35% of all technical revocations for low risk offenders occurred within 12 months of being placed on probation
- 48% of all offenders revoked received no interventions before revocation

The examination also showed that the data and/or processes need improvement as, for example, 12% of all offenders had an unknown county of supervision, 35% had an unknown supervision level, and 12% had an unknown length of supervision time until revocation. Moreover, it is hard to formulate conclusions from the data as there is no information on reason for revocation and the intervention data, as shown by 48% of offenders having no interventions before revocation, is possibly incomplete.

I. Overview

The Probation Revocation Study Group Includes 5,688 Revocations from 2003 through 2005

Figure 1: Probation Revocations by Year



- The data was obtained from the Kansas Department of Corrections and represents all 105 counties in Kansas.
- The 5,688 cases are comprised of 5,580 offenders.
- Revocations increased 18% between 2003 and 2005.

Sedgwick County Accounted for 23% of All Revocations in the Study Period, the Highest Percentage of Any Single County

Table 1: Revocations by County

	Sedgwick	Wyandotte	Johnson	Shawnee	Other	Unknown
2003	383	198	193	62	643	271
2004	457	203	237	71	688	218
2005	471	228	273	79	832	181
Total	1,311	629	703	212	2,163	670
% change 2003 - 2005	23%	15%	41%	28%	29%	-33%
% of total revocations	23%	11%	12%	4%	38%	12%

- The four highlighted counties represent the following cities:
 - Sedgwick County = Wichita
 - Wyandotte County = Kansas City
 - Johnson County = Overland Park
 - Shawnee County = Topeka
- "Other" contains all other Kansas counties with known revocation information.
- The number of revocations increased between 2003 and 2005 for every county group except the 'Unknown' county group which had a 33% decrease. The decrease in revocations for the 'Unknown' county group is an indication the data improved between 2003 and 2005.

Technical Revocations Accounted for 92% of All Revocations in the Study Period

Table 2: Technical Revocations by Year

	# Total	# Technical	% Technical
2003	1,750	1,553	89%
2004	1,874	1,732	92%
2005	2,064	1,939	94%
Total	5,688	5,224	92%
% change 2003 - 2005	18%	25%	

- Technical revocations constitute offenders entering an incarceration facility due to a violation of probation conditions rather than a conviction for a new offense.
- Not only did the number of technical revocations increase between 2003 and 2005 (from 1,553 to 1,939), but the percentage of technical revocations increased as well (from 89% to 94%).

Wyandotte County Had the Highest Percentage of Technical Revocations of All County Groups During the Study Period

Table 3: Technical Revocations by County

	Sedgwick	Wyandotte	Johnson	Shawnee	Other	Unknown
2003						
#	346	184	174	55	560	234
% of Revs.	90%	93%	90%	89%	87%	86%
2004						
#	408	200	219	67	639	199
% of Revs.	89%	99%	92%	94%	93%	91%
2005						
#	438	223	257	77	778	166
% of Revs.	93%	98%	94%	97%	94%	88%
Total						
#	1,192	607	650	199	1,977	599
% of Revs.	91%	97%	92%	94%	91%	89%

- Shawnee County had the largest increase in the percentage of technical revocations from 89% in 2003 to 97% in 2005. However, the number of technical revocations in Shawnee County was the lowest of the four highlighted counties.
- Wyandotte County had the highest percentage of technical revocations in each year as well as the highest percentage for the 3-year total.

II. LSI-R Assessment and Supervision/Risk Level

The LSI-R Assessment Determines the Supervision Level. However, the LSI-R Assessment was Not Required For the Entire Community Corrections Population Until July 1, 2005

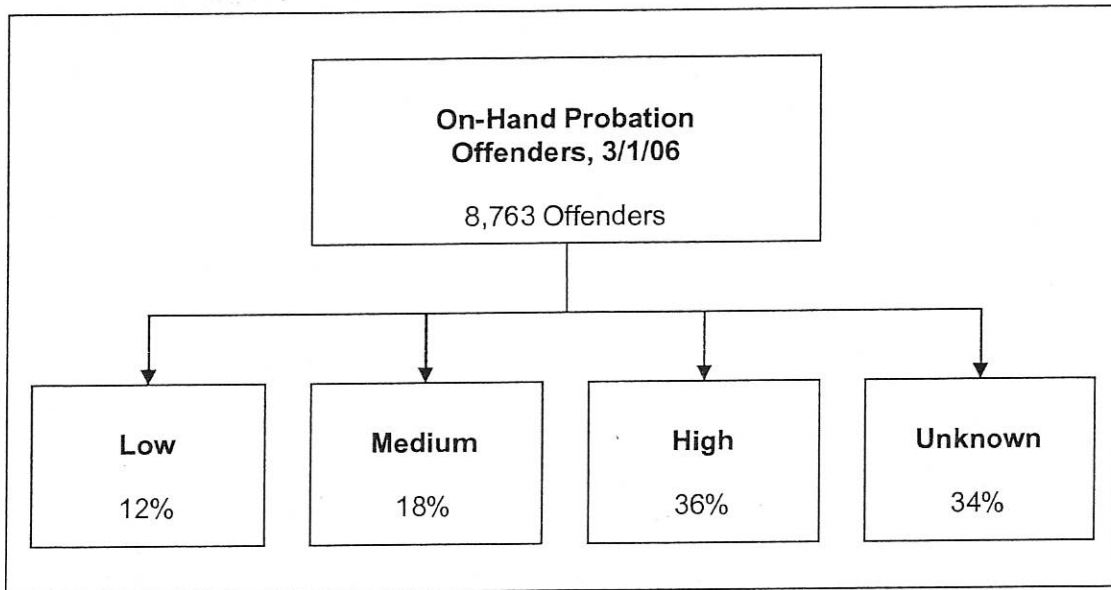
Table 4: LSI-R Scores

	Low	Medium	High	Unknown	Total
2003					
#	0	0	1	1,749	1,750
%	0%	0%	.1%	99.9%	100%
2004					
#	2	10	67	1,795	1,874
%	.1%	.5%	3.6%	95.8%	100%
2005					
#	34	101	765	1,164	2,064
%	1.6%	4.9%	37.1%	56.4%	100%

- The LSI-R assessment contains 54 questions encompassing 10 domains including criminal history, education/employment issues, alcohol/drug problems, and others.
- Tallies from each domain are compiled and a LSI score is determined. These scores are divided into three supervision groups with the low LSI-R group containing offenders with scores of 0-15, the medium LSI-R group containing scores of 16-22, and the high LSI-R group containing scores of 23 and above.
- Prior to November 2003, the LSI-R assessment was not used by community corrections. A modified 'Wisconsin Risk Assessment' was used to determine supervision level.
 - Starting in November 2003, the LSI-R assessment was given to SB123 offenders only.
 - Starting in July 2005, the LSI-R assessment was given to all community corrections offenders.
 - The LSI-R data does not include any information from Johnson County, which keeps their LSI-R assessment records in a separate database.

The LSI-R Scores for the On-Hand Population (on March 1, 2006) Show a Population With a Lower Percentage of Unknowns and a Higher Percentage of Offenders in the Low and Medium LSI-R Categories

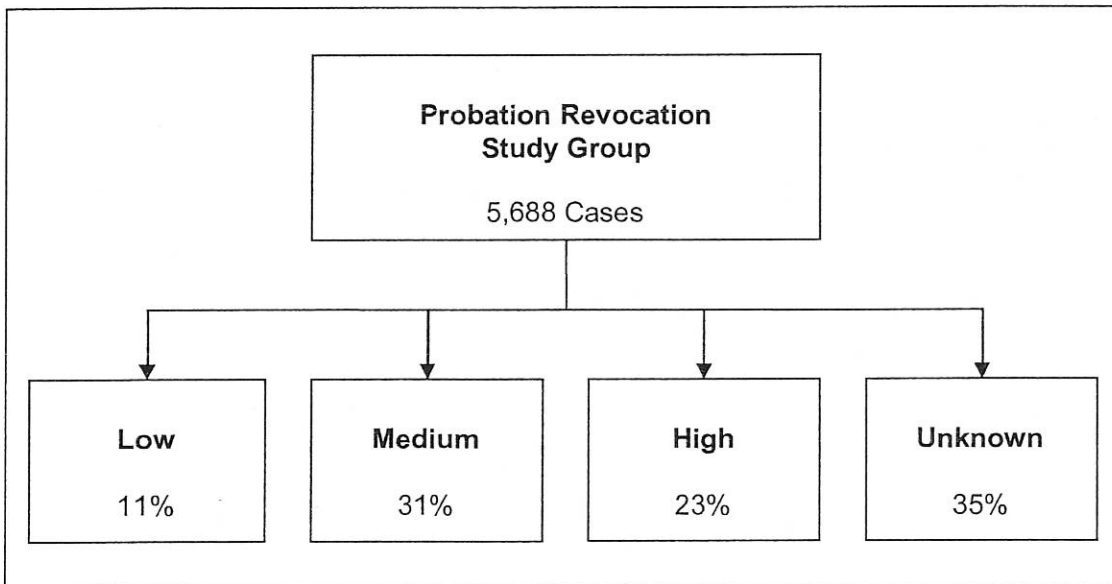
Figure 2: LSI-R Scores for On-Hand Population, 3/1/06



- When compared with the LSI-R Scores for 2005, the on-hand probation population saw increases in the low and medium LSI-R groups and decreases in the high and unknown LSI-R groups.
 - 2005 to on-hand **LOW**: 2% to 12%
 - 2005 to on-hand **MEDIUM**: 5% to 18%
 - 2005 to on-hand **HIGH**: 37% to 36%
 - 2005 to on-hand **UNKNOWN**: 56% to 34%

The Supervision Level, Determined by LSI-R Assessment, Is Also Known as the Risk Level. Most Offenders Revoked in the Study Period Had an Unknown Supervision/Risk Level

Figure 3: Supervision/Risk Level of Revocation Study Group



- Of the revocations with a known supervision/risk level, most offenders had a Medium supervision/risk level.
- The on-hand probation population as of March 1, 2006 had an Supervision/Risk Level breakdown as follows:
 - **LOW:** 40%
 - **MEDIUM:** 26%
 - **HIGH:** 11%
 - **UNKNOWN:** 23%

Regardless of the Year, Most Offenders Revoked in the Study Period With a Known Supervision/Risk Level Had a Supervision/Risk Level of Medium

Table 5: Revocations by Supervision/Risk Level by Year

	Low	Medium	High	Unknown	Total
2003					
#	152	560	397	641	1,750
%	9%	32%	23%	36%	100%
2004					
#	156	650	447	621	1,874
%	8%	35%	24%	33%	100%
2005					
#	296	582	463	723	2,064
%	14%	28%	23%	35%	100%

- The percentage of revocations with a Low supervision/risk level increased between 2003 and 2005 while the percentage of revocations with a Medium supervision/risk level decreased between 2003 and 2005.

All County Groups, Except for Johnson County, Experienced an Increase Between 2003 and 2005 in the Percentage of Revocations with a Supervision/Risk Level of Low

Table 6: Revocations by Supervision/Risk Level by Year by County

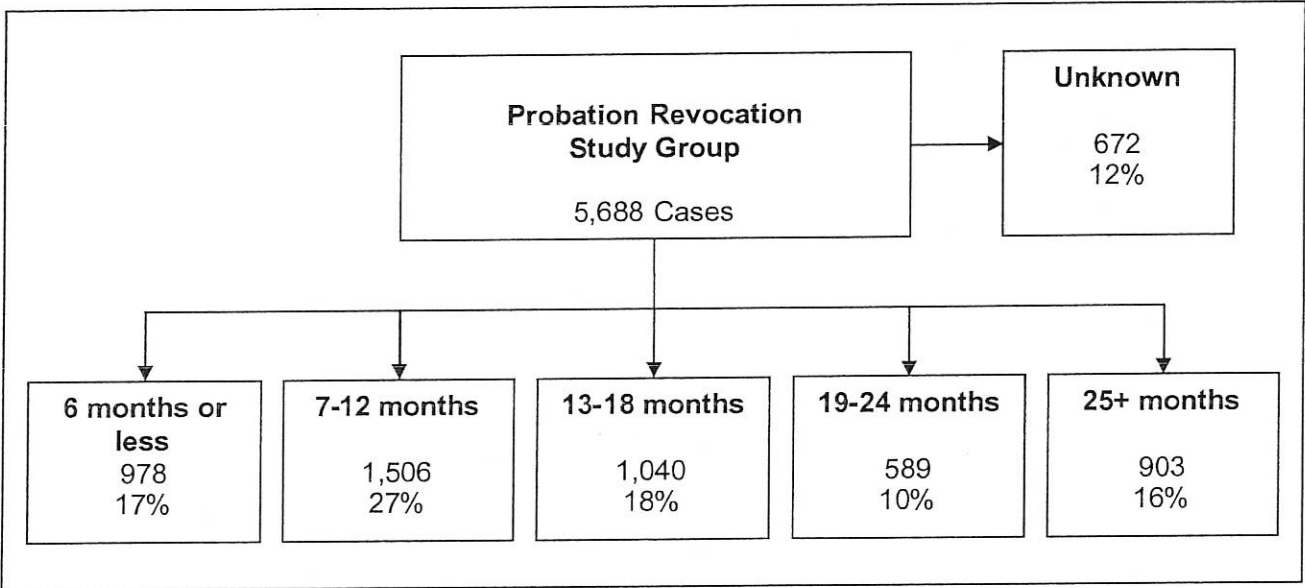
	% Low	% Medium	% High	% Unknown	Total
2003					
Sedgwick	11%	41%	24%	24%	100%
Wyandotte	21%	44%	15%	20%	100%
Johnson	9%	29%	11%	51%	100%
Shawnee	5%	50%	32%	13%	100%
Other	8%	36%	36%	20%	100%
Unknown	0%	0%	0%	100%	100%
2004					
Sedgwick	8%	45%	25%	22%	100%
Wyandotte	16%	48%	15%	21%	100%
Johnson	11%	24%	11%	54%	100%
Shawnee	3%	35%	45%	17%	100%
Other	9%	38%	35%	18%	100%
Unknown	0%	0%	0%	100%	100%
2005					
Sedgwick	14%	34%	25%	27%	100%
Wyandotte	28%	35%	10%	27%	100%
Johnson	9%	18%	5%	68%	100%
Shawnee	10%	23%	39%	28%	100%
Other	16%	33%	34%	17%	100%
Unknown	0%	0%	0%	100%	100%

- The four main county groups – Sedgwick, Wyandotte, Johnson, and Shawnee - all experienced increases between 2003 and 2005 in the percentage of revocations with an Unknown supervision/risk level.

III. Time to Revocation

44% of all Offenders in the Study Group were Revoked Within 12 Months

Figure 4: Time to Revocation



- Time period was calculated from the supervision begin date (placement date to probation) to the revocation date. If no revocation date was available the admission date to the incarceration facility was used.
 - All cases in the Unknown category were missing a supervision begin date.

In 2005, 35% of Offenders Revoked for a Technical Violation with a Low Supervision/Risk Level Were Revoked Within 12 Months of Being Placed on Probation

Table 7: Time to Revocation for Tech. Violators in 2005 by Supervision/Risk Level

Level	Time To Revocation for Technical Violators in 2005					Total
	6 months or less	7-12 months	13-18 months	19-24 months	25+ months	
Low	12%	23%	23%	16%	26%	100%
Medium	12%	30%	21%	14%	23%	100%
High	14%	28%	23%	11%	24%	100%
Unknown	25%	25%	12%	5%	8%	100%

25% of Cases with an Unknown Risk/Supervision Level Had a Unknown Time to Revocation

- A higher percentage of offenders with a High supervision/risk level were revoked in six months or less than offenders with a Medium or Low supervision/risk level.

In 2005, Sedgwick County Revoked 53% of Technical Violators within 12 Months, the Largest Percentage of Any County Group

Table 8: Time to Revocation for Technical Violators in 2005 by County

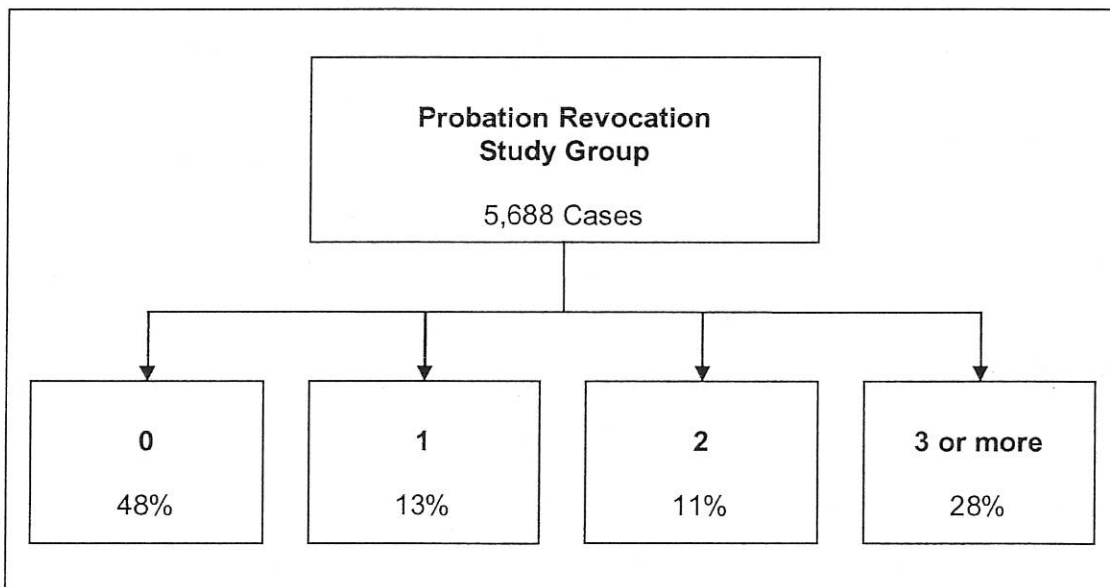
	6 months or less	7-12 months	13-18 months	19-24 months	25+ months	Total
Sedgwick	26%	27%	21%	10%	16%	100%
Wyandotte	18%	33%	18%	12%	19%	100%
Johnson	16%	28%	21%	14%	21%	100%
Shawnee	14%	35%	26%	12%	13%	100%
Other	16%	29%	20%	12%	23%	100%
Unknown	All 166 cases with an unknown county had an unknown time to revocation					

- Johnson County had the lowest percentage of technical violators revoked within 12 months (44%) in 2005.

IV. Interventions

52% of Offenders Revoked Received at Least One Intervention Before They Were Revoked

Table 9: Number of Interventions Before Revocation



- The types of interventions offered included substance abuse, structured living, increased supervision, restrictions, day reporting centers, mental health, sex offender, and education.

Substance Abuse was the Most Common Intervention Type By Far, Received by 39% of All Offenders Revoked

Table 10: Percentage of Revocations Receiving Interventions

Type of Intervention	Percentage of Probation Revocation Study Group Receiving Intervention
Substance Abuse	39%
Structured Living	10%
Increased Supervision	12%
Restrictions	10%
Day Reporting Centers	2%
Mental Health	9%
Sex Offender	2%
Education	3%
Additional Interventions	22%

- 'Additional Interventions' category is a catch-all category.

In 2005, Technical Violators with an Supervision/Risk Level of High Had the Highest Percentage of Interventions Among the Supervision/Risk Levels

Table 11: Number of Interventions for Tech. Violators in 2005 by Supv./Risk Level

	0	1	2	3+	Total
Low n = 282	35%	16%	15%	34%	100%
Medium n = 559	25%	14%	19%	42%	100%
High n = 430	17%	15%	12%	56%	100%
Unknown n = 668	82%	9%	5%	4%	100%

- Offenders in the Unknown LSI-R score category had the highest percentage of offenders not receiving interventions (82%). The next highest was the Low group with 35%.

Substance Abuse was the Most Common Intervention Type for Most Technical Violators in 2005

Table 12: Top Interventions for Tech. Violators in 2005 by Supervision/Risk Level

Supervision/Risk Level	Top Three Interventions			No Interventions
	1	2	3	
Low n = 282	Substance Abuse 53%	Increased Supervision 16%	Restrictions & Mental Health (tie) 12%	35%
Medium n = 559	Substance Abuse 59%	Increased Supervision 15%	Restrictions 15%	25%
High n = 430	Substance Abuse 69%	Increased Supervision 23%	Structured Living 20%	17%
Unknown n = 668	Substance Abuse 11%	Structured Living 3%	Increased Supervision & Mental Health (tie) 2%	82%

- Additional interventions, which is the catch-all category, accounted for a high percentage of interventions. The percentage receiving additional interventions was 19%, 31%, 37%, and 7% for low, medium, high, and unknown respectively.

Structured Living Had the Highest Percentage of Successful Interventions Among Technical Violators in 2005

Table 13: Percentage of Successful Interventions for Technical Violators in 2005

Type of Intervention	Percentage of Interventions Successful
Substance Abuse n = 2,269	47%
Structured Living n = 311	68%
Increased Supervision n = 398	33%
Restrictions n = 324	44%
Day Reporting Centers n = 47	30%
Mental Health n = 280	46%
Sex Offender n = 74	32%
Education n = 86	28%
Additional Interventions n = 962	58%

- Successful interventions included those with an outcome value of successful completion, changed modality-less intensive, reached maximum benefits, or engaged at time of discharge.

Very Few Mental Health Interventions Were Administered to Offenders Identified as Having Mental Health Needs

Table 14: Mental Health Code Descriptions

Code	Mental Health Description
1	None, exclusive of a primary substance abuse/dependence diagnosis
2	Primary diagnosis of a paraphilia or Personality Disorder which is not the focus of treatment
3	Diagnosed with a transient mental disorder that is the primary treatment focus and less than 6 months in duration
4	Serious mental disorder on Axis I/II
5	Primary Diagnosis of mental retardation
6	Severe and persistent mental illness

Table 15: Interventions and Mental Health Needs for Technical Violators in 2005

Technical Revocations in 2005 = 1,939			
Technical Revocations in 2005 with Mental Health Needs = 632 (33%)			
Mental Health Code	# Interventions	% Successful	# Mental Health Interventions
2 n = 114	333	47%	22
3 n = 293	852	48%	57
4 n = 194	536	53%	57
5 n = 12	18	39%	4
6 n = 19	70	60%	7

- 133 mental health interventions were given to offenders who were not identified as having mental health needs (a MH code = 2 through 6).

The JFA Institute
Washington, D.C./Austin, Texas

Conducting Justice and Corrections Research for Effective Policy Making

Kansas Revocation Study

Analysis of Parole and Probation Data from 2004-2006

**The Council of State Governments
Justice Reinvestment Program**

Jason Bryl

***The JFA Institute
Austin, Texas Office***

September 2006

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Summary

This is a report for the Kansas Department of Corrections (KDOC) related to an examination of parole and probation violations. Two prior reports were reviewed with Kansas officials in May and June of 2006. The project was coordinated with technical assistance provided by the Council on State Governments as part of the Kansas Re-Entry and Justice Reinvestment projects.

Computerized data from the KDOC was collected for the fiscal years 2004-2006 to examine revocation patterns. The data was provided from the TOADS system, which is a case record management system that includes parole and probation revocation data. This is the first time that the TOADS data has been used for this type of analysis. Additional summary data was collected for the fiscal years 1996-2006. The highlights of the analysis show:

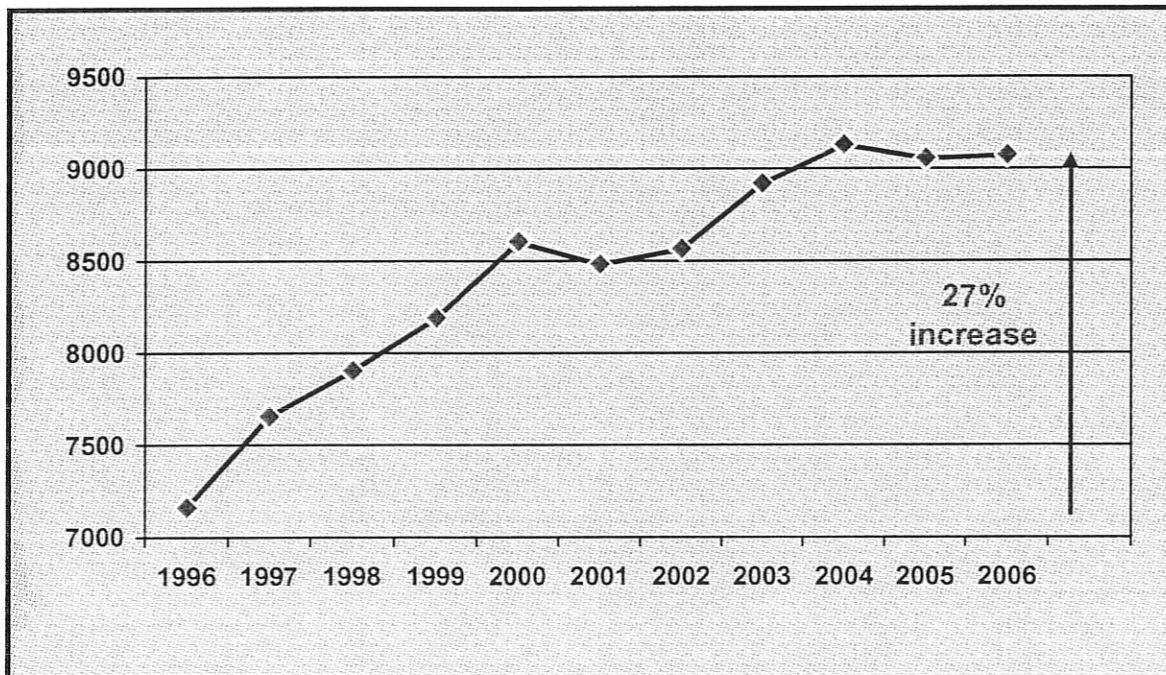
- The KDOC average daily prison population increased 27% between FY 1996 and FY 2006.
- Parole revocations have decreased 48% since FY 2000 while probation revocations have increased 46% since FY 2001. In FY 2006 the number of probation revocations exceeded the number of parole revocations, the only time this has happened in the last 10 years.
- The average yearly parole revocation rate is declining, down 36% between FY 2004 and FY 2006, and the percentage of revocations for a technical reason is also falling (93.9% to 90.3% in the same time period).
- Many technical parole revocations are for less severe administrative violations like 'reporting and travel' and 'narcotics/alcohol'. These two revocation reasons accounted for 59% of all technical parole revocations in FY 2005 and 56% in FY 2006. These cases could potentially be addressed with more effective supervision or intermediate sanctions strategies.
- The average yearly probation revocation rate is holding steady (27.9 in FY 2004 and 27.1 in FY 2006), but the percentage of revocations for a technical reason is increasing (91.9% in FY 2004 to 93.5% in FY 2006).

The examination also showed that the data and/or processes need improvement. For example, 17% of all technical parole revocations in FY 2006 had an unknown reason for revocation, an increase from FY 2005 when 'unknowns' represented 14% of the cases. The risk level for parole revocation offenders was unknown in at least 9% of cases in all counties – with Johnson County having an unknown risk level for 29% of its revocations. There are no revocation reasons for probation cases. Collection of this data would help paint a clearer picture of the challenges the probation department faces in light of the rising number of probation revocations.

I. Overview

**The KDOC Average Daily Inmate Population Increased 27%
Between FY 1996 and FY 2006**

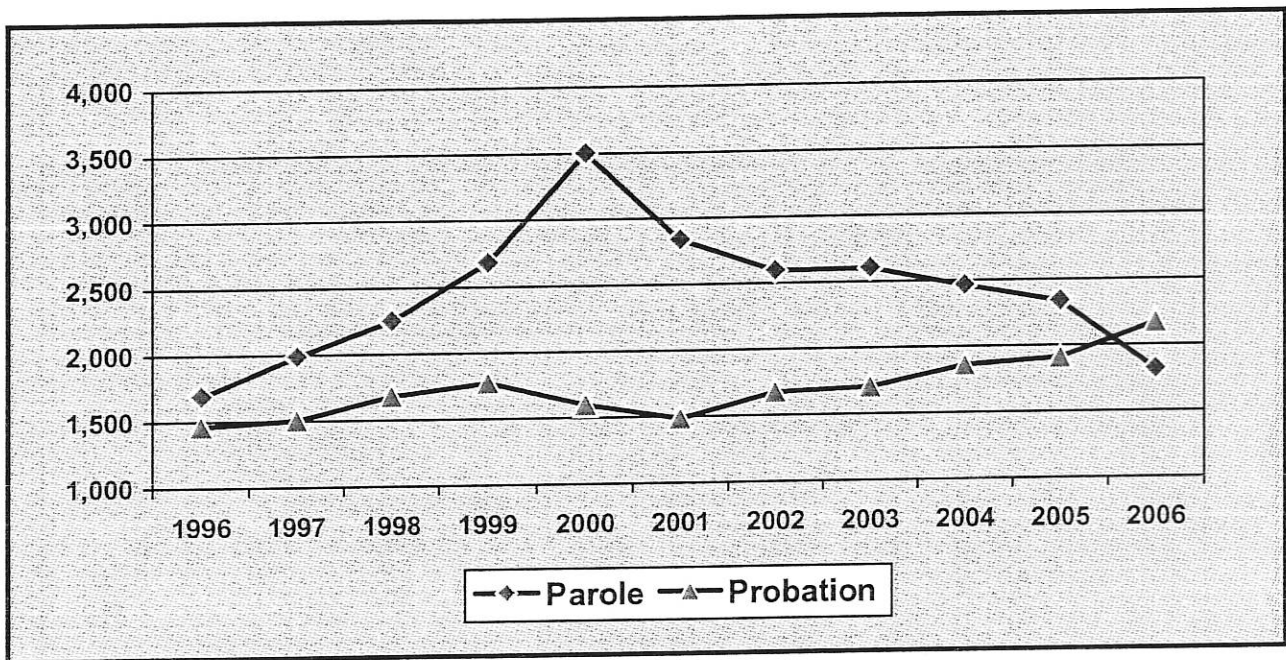
Figure 1: KDOC Average Daily Inmate Population by Fiscal Year



- All data contained in this report was obtained from the Kansas Department of Corrections (KDOC) and represents all 105 counties in Kansas.
- Inmate population numbers can be found in Table 9 in the appendix.

Parole Revocations Decreased 48% Between FY 2000 and FY 2006 While Probation Revocations Increased 46% Between FY 2001 and FY 2006

Figure 2: Parole and Probation Revocations by Fiscal Year

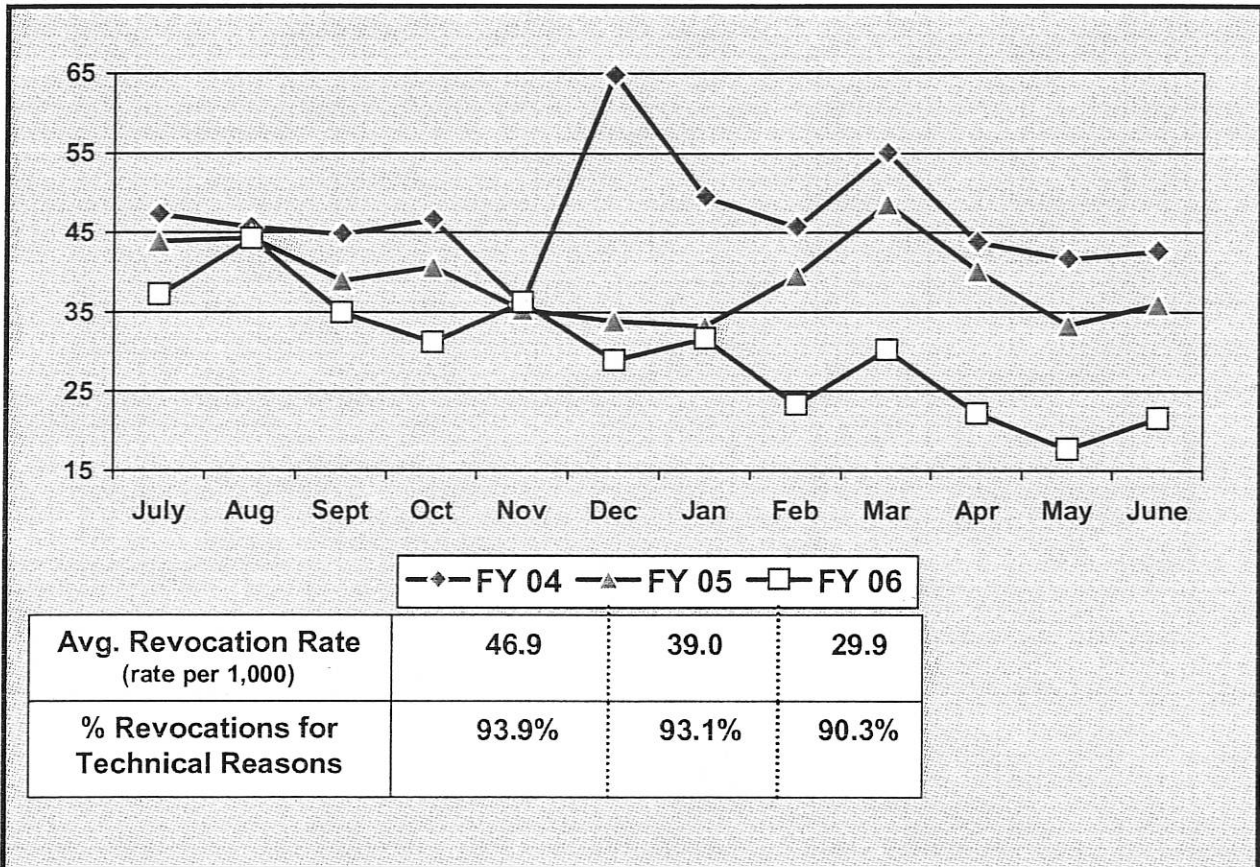


- In fiscal year 2006 the number of probation revocations exceeded the number of parole revocations, the only time this has happened in the last 10 years.
- Revocations include both technical revocations and revocations for a new offense.
- Probation revocations include revocations from community corrections and court services.
- Parole and probation revocation numbers can be found in Table 10 in the appendix.

II. Parole

The Average Yearly Parole Revocation Rate Decreased 36% Between FY 2004 and FY 2006

Figure 3: Monthly Parole Revocation Rates, Fiscal Years 2004 - 2006



- The percentage of revocations for technical reasons decreased from 93.9% in FY 2004 to 90.3% in FY 2006.
- Monthly parole population numbers can be found in Table 11 in the appendix and monthly parole revocation numbers can be found in Table 12 in the appendix.

The Percentage of Parole Revocations for Technical Reasons Declined in All Counties Between FY 2005 and FY 2006

Table 1: Parole Revocations by County

County	FY 2005		FY 2006	
	#	% Technical	#	% Technical
Sedgwick	699	92.7%	705	92.3%
Wyandotte	369	95.4%	233	89.7%
Johnson	126	89.7%	107	72.0%
Shawnee	333	96.4%	201	94.0%
Other	708	90.8%	572	89.5%
Unknown	48	100.0%	49	98.0%
Total	2,283	93.1%	1,867	90.3%

- The four highlighted counties represent the following cities:
 - Sedgwick County = Wichita
 - Wyandotte County = Kansas City
 - Johnson County = Overland Park
 - Shawnee County = Topeka
- Johnson County experienced the largest decrease in the percentage of technical revocations of any of the highlighted counties, from 89.7% in FY 2005 to 72.0% in FY 2006.
- Shawnee County experienced a 40% decrease in the number of revocations between FY 2005 and FY 2006, the largest decrease of any highlighted county.

Narcotics/Alcohol and Reporting & Travel Accounted for the Largest Percentage of Technical Parole Revocation Reasons in Both FY 2005 and FY 2006

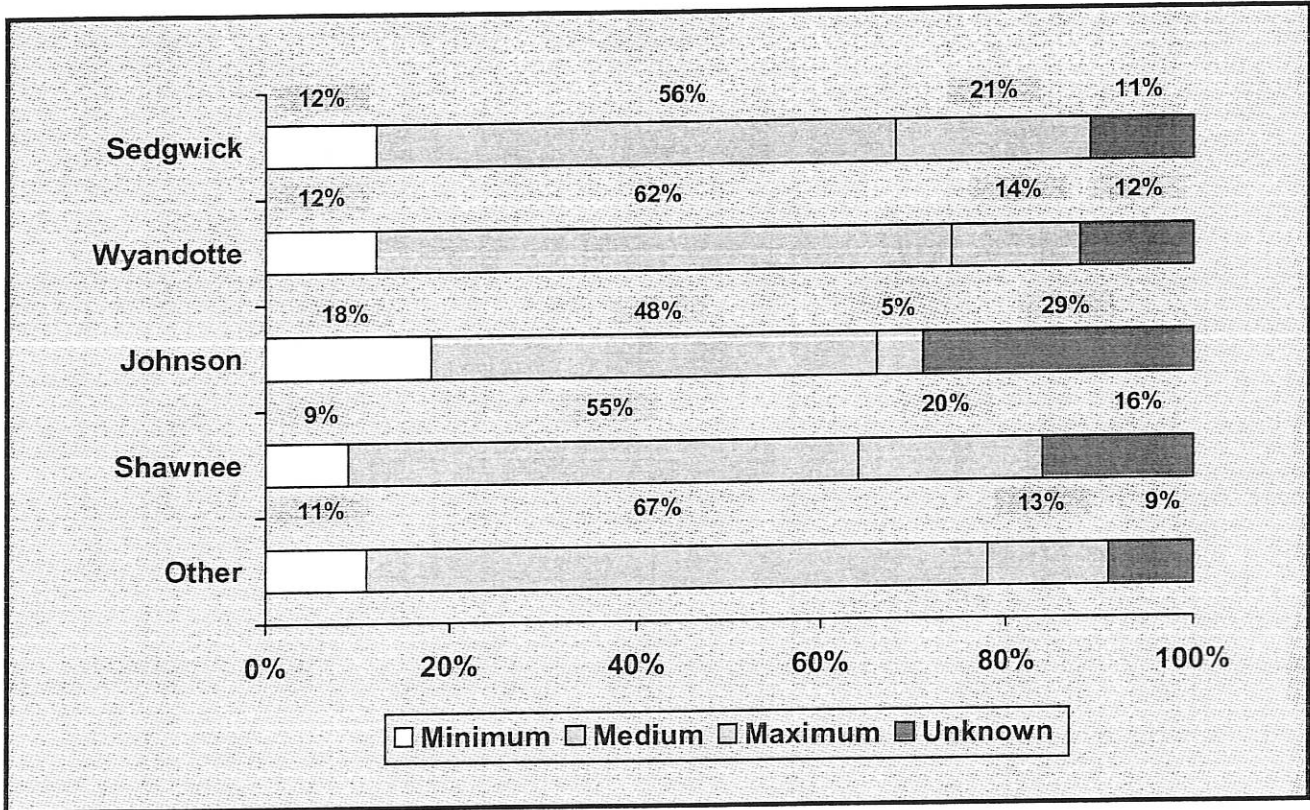
Table 2: Technical Parole Revocation Reasons

Technical Revocation Reason	FY 2005		FY 2006	
	#	%	#	%
Weapons	36	1.7%	42	2.5%
Laws	211	9.9%	181	10.7%
Personal Conduct	119	5.6%	108	6.4%
Victim	4	.2%	3	.2%
Narcotics/Alcohol	678	31.9%	524	31.0%
Reporting & Travel	579	27.3%	418	24.8%
Association	2	.1%	3	.2%
Employment	3	.1%	1	.1%
Treatment, Programs, Placement	27	1.3%	22	1.3%
Costs	2	.1%	1	.1%
Conditions	171	8.0%	91	5.4%
None	293	13.8%	292	17.3%
Total	2,125	100.0%	1,686	100.0%

- Narcotics/Alcohol and Reporting & Travel accounted for 59.2% of technical parole revocation reasons in FY 2005 and 55.8% in FY 2006.
- The Conditions category contains all instances of offenders violating specific conditions applied to their parole sentence such as agreeing to not enter establishments that serve or sell alcohol or agreeing to take medications, etc.
- When multiple reasons for revocation existed, the most serious revocation reason was chosen. Severity of reasons is as follows (from most serious to least serious): weapons, laws, personal conduct, victim, narcotics/alcohol, reporting and travel, association, employment, treatment-programs-placement, search, costs, education, and conditions.

Most Offenders With a Parole Revocation in FY 2006 Had a Risk Level of Medium

Figure 4: Parole Revocation Offender Risk Level by County for FY 06



- The 48 cases with an unknown county had a risk level of unknown.
- 29% of the offenders with a parole revocation in Johnson County had a unknown risk level, the highest percentage of any highlighted county.
- Sedgwick County had the largest percentage of maximum risk offender revocations (21%).
- The 'other' county group had the largest percentage of medium risk offender revocations (67%).
- Johnson County had the largest percentage of minimum risk offender revocations (18%).
- Risk level numbers can be found in Table 13 in the appendix.

Narcotics/Alcohol and Reporting & Travel Were the Top Two Technical Parole Revocation Reasons In Every County

Table 3: Top Three Technical Revocation Reasons by County

County	FY 2005		FY 2006	
	Reason	%	Reason	%
Sedgwick	Narcotics/Alcohol	40.9%	Narcotics/Alcohol	39.3%
	Reporting & Travel	23.8%	Reporting & Travel	21.0%
	Conditions	10.8%	Laws and Conditions (tie)	8.3%
Wyandotte	Reporting & Travel	40.9%	Reporting & Travel	41.6%
	Narcotics/Alcohol	25.6%	Narcotics/Alcohol	22.0%
	Personal Conduct	9.7%	Personal Conduct	7.7%
Johnson	Reporting & Travel	37.2%	Reporting & Travel	45.5%
	Narcotics/Alcohol	25.7%	Narcotics/Alcohol	13.0%
	Laws	12.4%	Laws	11.7%
Shawnee	Reporting & Travel	31.2%	Reporting & Travel	25.9%
	Narcotics/Alcohol	27.7%	Narcotics/Alcohol	21.2%
	Conditions	11.2%	Personal Conduct	9.0%
Other	Narcotics/Alcohol	31.9%	Narcotics/Alcohol	33.6%
	Reporting & Travel	21.6%	Reporting & Travel	21.5%
	Laws	18.2%	Laws	17.6%

- This table only includes known reasons. 'Unknown' as reason for revocation accounted for a large percentage of revocations in every county.
- Technical revocation reason by county numbers for FY 2005 can be found in Table 14 in the appendix. Numbers for FY 2006 can be found in Table 15 in the appendix.

A Significant Percentage of Parole Revocation Offenders Were Identified as Having Mental Health Needs in Both FY 2005 and FY 2006

Table 4: Mental Health Codes

Code	Mental Health Description
1	None, exclusive of a primary substance abuse/dependence diagnosis
2	Primary diagnosis of a paraphilia or Personality Disorder which is not the focus of treatment
3	Diagnosed with a transient mental disorder that is the primary treatment focus and less than 6 months in duration
4	Serious mental disorder on Axis I/II
5	Primary Diagnosis of mental retardation
6	Severe and persistent mental illness

Table 5: Parole Revocations by Mental Health Code

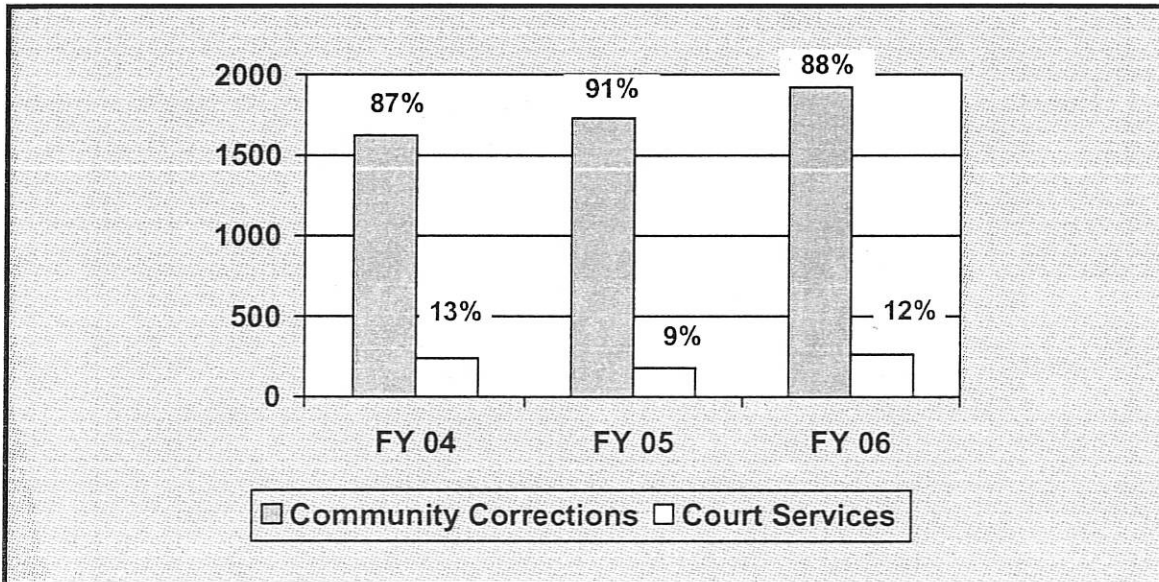
Code	FY 05		FY 06	
	#	%	#	%
1	1,400	75.5%	1,115	73.1%
2	314		243	
3	312	24.5%	274	26.9%
4	196		181	
5	14		17	
6	34		27	

- Mental health information was missing for 23 cases.

III. Probation

The Majority of Probation Revocations in Each Fiscal Year Were Community Corrections Revocations

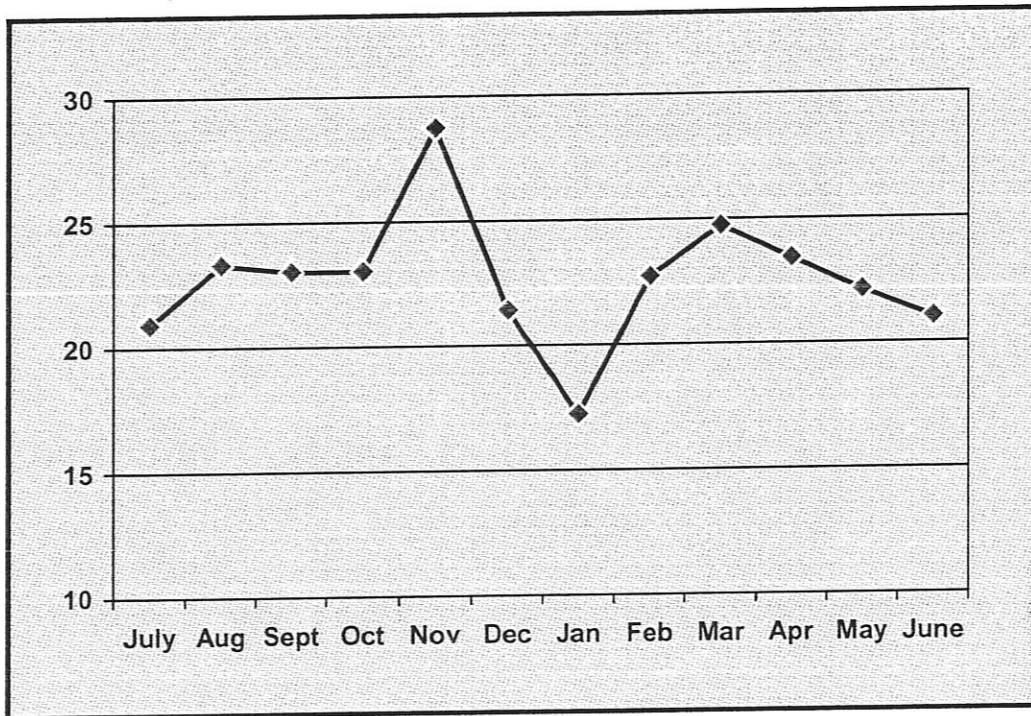
Figure 5: Types of Probation Revocation by Year



- Community Corrections agencies have intensive supervised probation (ISP).
- Court Services handle standard probation cases.
- Probation revocation numbers can be found in Table 16 in the appendix.

A Monthly Community Corrections Rate Has Been Established in FY 06

Figure 6: Monthly Community Corrections Revocation Rate in FY 06



- Comparable monthly community corrections population numbers, needed for a revocation rate calculation, were not available for the months before FY 2006.
- A new method of figuring Active/Funded ADP was established in FY 2006. The definition of active/funded ADP was expanded in FY 2006 with the inclusion of boot camp, day reporting center (Topeka and Wichita), treatment, jail, and work release statuses. Prior to this, only adult ISP, Labette follow-up, SB123 pre-sentence and residential statuses were included. This change was implemented to include offenders under the jurisdiction of Community Corrections and to be more in line with Parole and Court Services reports.
- There were no population numbers available for court services offenders.
- Monthly probation population and revocation numbers for FY 2006 can be found in Table 17 in the appendix.

The Probation Revocation Rate Remained Relatively Unchanged Between FY 2004 and FY 2006

Table 6: Probation Statistics by Fiscal Year

	Community Corrections	Court Services	Total
Average Daily Population			
FY 04	5,809	N/A	5,809
FY 05	6,385	N/A	6,385
FY 06	7,077	N/A	7,077
Revocations			
FY 04	1,620	237	1,857
FY 05	1,731	178	1,909
FY 06	1,921	261	2,182
Rate (per 100)			
FY 04	27.9	N/A	27.9
FY 05	27.1	N/A	27.1
FY 06	27.1	N/A	27.1
% of Revocations for Technical Reasons			
FY 04	92.0%	91.6%	91.9%
FY 05	93.4%	92.7%	93.3%
FY 06	94.0%	89.7%	93.5%

- The percentage of probation revocations for a technical reason increased from 91.9% in FY 2004 to 93.5% in FY 2006.

The Number of Probation Revocations Increased in All Counties Between FY 2005 and FY 2006

Table 7: Probation Revocations by County

County	FY 2005		FY 2006	
	#	% Technical	#	% Technical
Sedgwick	461	90.9%	520	90.8%
Wyandotte	220	97.7%	233	98.7%
Johnson	258	93.4%	261	93.9%
Shawnee	64	93.8%	85	96.5%
Other	730	93.6%	843	94.1%
Unknown	176	93.2%	240	90.8%
Total	1,909	93.3%	2,182	93.5%

- Shawnee County had a 32.8% increase in the number of probation revocations, the largest increase of any of the highlighted counties.
- Shawnee County had the largest increase in the percentage of technical revocations of any of the highlighted counties, from 93.8% in FY 2005 to 96.5% in FY 2006.

A Significant Percentage of Probation Revocation Offenders Were Identified as Having Mental Health Needs in Both FY 2005 and FY 2006

Table 8: Probation Revocations by Mental Health Code

Code	FY 05		FY 06	
	#	%	#	%
1	1,031	69.5%	1,267	73.8%
2	136		131	
3	286	30.5%	275	26.2%
4	196		183	
5	11		12	
6	19		26	

- Mental health information was missing for 518 cases.

IV. Appendix of Tables

Table 9: KDOC Prison Population

Fiscal Year	Inmate Population (June 30 of each year)	Average Daily Population (ADP)
1996	7,455	7,158
1997	7,795	7,656
1998	8,039	7,902
1999	8,486	8,190
2000	8,784	8,604
2001	8,540	8,482
2002	8,773	8,563
2003	9,046	8,917
2004	9,181	9,126
2005	9,068	9,052
2006	8,952	9,070

Table 10: Parole and Probation Revocations

Fiscal Year	Parole Revocations	Probation Revocations
1996	1,691	1,463
1997	1,987	1,503
1998	2,247	1,682
1999	2,679	1,772
2000	3,500	1,596
2001	2,838	1,488
2002	2,595	1,675
2003	2,605	1,704
2004	2,462	1,857
2005	2,337	1,909
2006	1,815	2,170

Table 11: Parole Population by Month

Month	FY 2004	FY 2005	FY 2006
July	4,182	4,557	5,086
August	4,204	4,600	5,093
September	4,244	4,720	5,075
October	4,245	4,770	5,096
November	4,221	4,843	5,131
December	4,219	4,893	5,186
January	4,247	5,003	5,232
February	4,269	5,021	5,229
March	4,366	5,044	5,297
April	4,395	5,052	5,350
May	4,445	5,083	5,424
June	4,486	5,055	5,470

Table 12: Parole Revocations by Month

Month	FY 2004	FY 2005	FY 2006
July	198	200	189
August	192	204	225
September	190	184	177
October	198	194	159
November	152	171	186
December	273	166	150
January	210	166	166
February	195	199	122
March	240	245	160
April	192	203	119
May	185	169	96
June	191	182	118

Table 13: Risk Level for Parole Revocations by County in FY 2006

County	Minimum	Medium	Maximum	Unknown	Total
Sedgwick	76	362	140	73	651
Wyandotte	24	130	30	25	209
Johnson	14	37	4	22	77
Shawnee	18	104	37	30	189
Other	59	341	64	48	512

Table 14: Parole - Technical Revocation Reasons by County in FY 2005

Reason	Sedgwick	Wyandotte	Johnson	Shawnee	Other	Total
None	79	32	14	31	89	245
Weapons	18	3	2	9	4	36
Laws	34	21	14	25	117	211
Personal Conduct	21	34	1	23	40	119
Victim	0	1	2	1	0	4
Narcotics/ Alcohol	265	90	29	89	205	678
Reporting & Travel	154	144	42	100	139	579
Association	0	0	0	0	2	2
Employment	1	0	1	1	0	3
Treatment, Programs, Placement	4	1	1	6	12	27
Costs	2	0	0	0	0	2
Conditions	70	26	4	36	35	171
Total	648	352	113	321	643	2,077

Table 15: Parole - Technical Revocation Reasons by County in FY 2006

Reason	Sedgwick	Wyandotte	Johnson	Shawnee	Other	Total
None	95	31	16	36	66	244
Weapons	17	6	0	5	14	42
Laws	54	12	9	16	90	181
Personal Conduct	30	16	2	17	43	108
Victim	0	1	0	0	2	3
Narcotics/ Alcohol	256	46	10	40	172	524
Reporting & Travel	137	87	35	49	110	418
Association	1	1	0	0	1	3
Employment	1	0	0	0	0	1
Treatment, Programs, Placement	6	0	1	10	5	22
Costs	0	0	0	0	1	1
Conditions	54	9	4	16	8	91
Total	651	209	77	189	512	1,638

Table 16: Probation Revocations by Fiscal Year

Probation Type	FY 2004	FY 2005	FY 2006
Community Corrections	1,620	1,731	1,921
Court Services	237	178	261
Total	1,857	1,909	2,182

Table 17: Community Corrections Population and Revocations by Month for FY 2006

Month	Population	Revocations
July	6,803	122
August	6,900	162
September	6,985	176
October	7,004	169
November	7,062	160
December	7,067	153
January	7,107	142
February	7,128	161
March	7,129	161
April	7,216	161
May	7,235	203
June	7,283	151

Community-Based Treatment for Convicted Sex Offenders

This outline will cover which states employ the use of residency restrictions, surgical/chemical castration, global positioning satellite technology and polygraph testing of released sex offenders. A brief summation of the evaluations of these alternatives will also be discussed. The handouts are in order of the summary. Please do not hesitate to ask questions. References and further elaboration of these alternatives are available upon request.

RESIDENCY RESTRICTIONS: Places limitations on where released sex offenders may live. There are currently 22 states which have implemented residency restrictions; Kansas is not one of those states. Here is a listing of the states with residency restrictions according to the California Research Bureau, California State Library as of 8/1/06. Many of the residency restrictions were passed within the last few years.

(<http://www.library.ca.gov/crb/06/08/06-008.pdf>)

States With Sex Offender Residency Restriction Laws		
State	Revised Code and Date	Type of Restriction
Alabama	[Ala. Code] § 15-20-26[a] ([Supp 2004.])	A sex offender may not reside or work within 2,000 feet of schools or childcare facilities.
Arkansas	[Ark. Code Ann.] § 5-14-128[(a)] ([Michie Supp.] 2003)	A level 3 or 4 (most serious) sex offender cannot live within 2,000 feet of schools or daycare centers.
California	W&I Code § 6608.5 (f) (2005) Penal Code § 3003 (g) (1) (3) (2005). Parole placement prohibition.	A sexually violent predator and a serious paroled sex offender cannot live within one-fourth of a mile of a school, and high-risk paroled sex offenders cannot reside within one-half mile of a school, daycare center, or where children congregate.
Florida	[Fla. Statute Ann.] § 947. 1405 (7)(a)(2) (2005)	A sex offender whose victim is under 18 years old cannot live within 1,000 feet of school or where children congregate.
Georgia	[Ga. Code Ann.] § 42-1-13 (2003) § 42-1-15 (2006)	No sex offender may reside, work, or loiter within 1,000 feet of any school, childcare facility, school bus stop, or where minors congregate.
Illinois	[Ill. Comp. Stat. Ann.] § 5/11-9.3 (b-5) (2002)	A child sex offender may not reside within 500 feet of a school or school property.
Iowa	[Iowa Code Supp.] § Sec. 692[(A)(2A)] (2005)	A sexual offender may not reside within 2,000 feet of a school or childcare facility.
Kentucky	[Ky. Rev. Stat. Ann.] § 17.495 ([Michie 2004 & Supp. 2006])	A sex offender may not reside within 1,000 feet of a school, childcare facility, ball fields, and playgrounds.
Indiana	[Indiana Code Supp.] § 11-13-3-4 (g) (2) (A) (July 2006)	A violent sex offender cannot reside within 1,000 feet of any school property for duration of parole.

Louisiana	[La. Rev. Stat. Ann.] § 14:91.1 and § 15.538} {(West 2004 & 2005)}	A sexually violent predator and serious paroled sex offender may not reside within 1,000 feet of schools or related school activities including school buses for life or duration of parole or probation.
Missouri	[Mo Rev. Stat.] § 589.417 (2005)	A sex offender may not reside within 1,000 feet of a school or childcare facility.
Minnesota	[Minn. Statutes] Chapter 244.052 et. al. (2005)	The Parole Commissioner determines if and where a level III sex offender may reside within 1,500 feet of school zones.
New Mexico	[N.M. Rev. Stat.] § 29-11A-5.1 (2005)	Schools within a one-mile radius of registered sex offender must be notified of his presence.
Michigan	[MCL 28.721 to 28.732)] § 33 (f) (2006)	A sex offender cannot reside within 1,000 feet of school safety zone.
Ohio	[Ohio Rev. Code Ann.] § 2950.031[(A)] ([Anderson] 2003) (2006)	A sex offender cannot reside within 1,000 feet of any school, child-care facility, or where children gather.
Oklahoma	[Okla. Stat. Ann. Tit. 57,] § 590 ([West 2004 & 2005])	It is unlawful for registered sex offender to reside within a 2,000 feet radius of a school.
Oregon	[Or. Rev. Stat.] § 144.642 [(1)(a)], 144.64[4(2)(a)] (Supp 2004 & 2005)	The Department of Correction decides where and how close a sex offender can live to a school or daycare center based on a decision matrix.
South Dakota	[SD Rev. Code Ann.] § 22-24B (2006)	A sex offender cannot reside or loiter within 500 feet of community safety zones.
Tennessee	[Tenn. Code Ann.] § 40-39-[2]11[(a)-(b)] (2003)	A sex offender cannot reside within 1,000 feet of schools, childcare facilities, or the victim.
Texas	[Texas Govt. Code] Chapter 508.187 (b) (2001)	The state Parole Board decides where and how close a paroled sex offender can live or go near to a child safety zone.
Washington	[Rev. Code. Wash.] § 9.94A.712(6)(a)(ii) § 9.95.425-430 (2006)	A sex offender convicted of a serious offense with a high-risk assessment (Levels II or III) cannot reside within a community protection zone (within 880 feet of any school or daycare center)
West Virginia	[Code of W.V. 1931] Art. 12 § 62-12-26 (b) (1) (2006)	A paroled sex offender cannot reside within 1,000 feet of a school or childcare facility.
Source: California Research Bureau/ California State Library, 2006.		

EVALUATION OF RESIDENCY RESTRICTIONS

Advocates believe that residency restrictions diminish the likelihood that sex offenders will come in contact with children whom they might victimize. However, there is little research-based evidence that residency restrictions actually reduce recidivistic sexual violence.⁴⁶ Some research suggests that residency restrictions may lead to serious unintended collateral consequences for offenders, such as limiting their opportunities for employment, treatment services, pro-social support systems, and most importantly, housing.⁴⁷

Colorado researchers found that molesters who re-offended while under supervision did not live closer than non-recidivists to schools or child-care centers. They also found that placing restrictions on the location of supervised sex offender's residences did not deter the sex offender from re-offending and was not effective in controlling sexual offending recidivism.⁴⁸ Most importantly, the research found that sex offenders who had a positive support system in their lives had significantly lower recidivism rates and fewer rule violations than offenders who had negative or no support.⁴⁹

According to a Minnesota Department of Corrections report, residency restrictions create a shortage of housing options for sex offenders and force them to move to rural areas where they are likely to become increasingly isolated with few employment opportunities, a lack of social support, and limited availability of social services and mental health treatment. Such restrictions can lead to homelessness and transience, which interfere with effective tracking, monitoring, and close probationary supervision.⁵⁰

⁴⁶Jill S. Levenson, "Sex Offender Restrictions," *Sex Offender Law Report*, Civil Research Institute, 2005.

⁴⁷Levenson, J.S., & Cotter, L.P. (2005). The impact of sex offender residence restrictions: 1,000 feet from danger or one step from absurd? *International Journal of Offender Therapy and Comparative Criminology*, 49(2), 168-178.

⁴⁸Colorado Department of Public Safety, Sex Offender Management Board, Report on Safety Issues Raised by Living Arrangements for and Location of Sex Offenders in the Community, (Denver: the Board, March 15, 2004, page 5).

⁴⁹ Colorado Department of Public Safety, Sex Offender Management Board, Report on Safety Issues Raised by Living Arrangements for and Location of Sex Offenders in the Community, (Denver: the Board, March 15, 2004, page 5).

⁵⁰ Minnesota Department of Corrections, *Level Three Sex Offenders Residential Placement Issues*, 2003 Report to the Legislature (St. Paul: the Department 2003).

SURGICAL CASTRATION: Surgical castration is the removal of a male's gonads (pg. 71 of handout) which is presumed to reduce testosterone levels thereby causing a decrease in a male's sex drive. The United States does not widely employ surgical castration as an alternative form to incarceration for sex offenders. There has been less than a hand-full of cases in the United States within the last 20 years where surgical castration was performed. It was only performed after repeated requests by the individual seeking castration. The states of California, Florida, Louisiana and Texas will perform surgical castration only upon request by the offender. Please note, on page 71 of the handout, the sentence between the two red asterisks.

Rice, M.E., & Harris, G.T. (2003). What we know and don't know about treating adult sex offenders. In B.J. Winick., and J.Q. LaFond, *Protecting Society from Sexually Dangerous Offenders: Law, Justice and Therapy* (pp. 101-118). Washington, DC: American Psychological Association.

CHEMICAL CASTRATION: Chemical castration is an antiandrogen which reduces testosterone in men. It is given to released sex offenders in the form of an injection, every one to three months. It provides the same effects as surgical castration without having the gonads removed. Testosterone concentrations return to normal when

administration of the drug ends. Chemical castration is known to cause many side effects such as weight gain, depression, fatigue and so forth. The antiandrogen given to these men is MPA (medroxyprogesteroneacetate) otherwise known as "Depo-Provera". Eight states employ chemical castration as an option to released sex offenders. Kansas does not allow for chemical castration.

States with Chemical Castration:

Georgia	Montana	Oregon	Wisconsin	Florida
Iowa	Louisiana	California (1 st state, effective 1/1/97)		

Georgia, Montana, Oregon and Wisconsin allow ONLY chemical castration.

California, Florida, Iowa and Louisiana allow chemical castration. They also allow surgical castration upon request by offender.

Texas does NOT allow chemical castration but DOES allow surgical castration.

*Please refer to handout entitled, "Castration of Sex Offenders: Prisoners' Rights Versus Public Safety" pages 503-506 for a detailed description.

EVALUATION OF CHEMICAL CASTRATION: Please note last paragraph on pg. 72 continued to pg. 73 of handout. There is a wide discrepancy in research findings. Some researchers have found significant differences in recidivism rates among sex offenders who received chemical castration while others have not found any significant difference. Also note the highlighted portion on the same page.

ELECTRONIC MONITORING/GPS DEVICES: These are devices which monitor the released offender's whereabouts. In states with residency restrictions, it notifies the probation/parole officer whether the offender is staying away from certain places (schools, daycares, bus stops). States without residency restrictions, such as Kansas, employ the use of GPS to ensure that the offender is being compliant with the terms of their parole/probation (staying within city limits and away from the victim(s)).

The impact on the prison population of requiring sex offenders to wear GPS devices is unclear. On the one hand, GPS monitoring could increase the number of offenders who are identified and returned to prison for violating the conditions of their parole or committing new crimes. On the other hand, GPS monitoring could act as a deterrent for some offenders from committing new violations or crimes, hence reducing the likelihood that they return to prison. Whatever net impact GPS does have on returns to prison will also affect parole, court, and local law enforcement workloads and associated costs (Legislative Analyst Office of California, November 2006)

http://www.lao.ca.gov/ballot/2006/83_11_2006.htm

There are currently around 30 states (Kansas, Florida, Ohio, Missouri, Oklahoma, California, Georgia and Colorado...to name a few) which employ the use of GPS technology for paroled sex offenders. Kansas made this part of "Jessica's Law" that twice-convicted sex offenders shall be monitored by GPS technology for the remainder of their life upon release from prison. GPS is costly and price ranges from \$6-\$12 daily. Each state decides who pays for it. Some states incur the costs and others require the

offender to pay the cost if he/she is able to. Some states have a limitation as to how long an offender is monitored by GPS technology; one year, 10 years or life. (For more information about GPS monitoring please refer to pages 40, 41, 214 and 215 of your handout)

Nieto, M. (2004). *Community treatment and supervision of sex offenders: How it's done across the country and in California*. California Research Bureau, California State Library Web site: <http://www.library.ca.gov/html/statseg2a.cfm>.

EVALUATION OF GPS MONITORING: There is little research evaluating the effectiveness of GPS and other forms of electronic monitoring. The California Department of Corrections has just recently launched a pilot program (June 2005) to evaluate the effectiveness of GPS technology on recidivism rates for released sex offenders. Please turn to page 1 & 4 and read the highlighted portions. The study conducted by Finn & Muirhead-Steves (2002) summary is on the following page of your handout (page 6). The researchers found that sex offenders on electronic monitoring devices were less likely to return to prison than those not being monitored by an electronic device.

POLYGRAPH TESTING: Polygraph testing is utilized with sex offenders because it portrays a more accurate account of the number of victims and determines whether the offender is being compliant to the rules set forth in his/her probation/parole conditions (pg. 219 & 41(the next page of handout)). There are currently 14 states that employ polygraph testing for sex offenders as a condition of parole: Colorado, Hawaii, Indiana, Iowa, Kansas, Massachusetts, Minnesota, New Hampshire, Tennessee, Texas, Vermont, Virginia, Wisconsin, and Rhode Island.

EVALUTION OF POLYGRAPH TESTING: A study by Hindman & Peters (2001) found that the number of victims went from 2.5 victims before polygraph testing to 13.2 victims after polygraph testing. Overall, polygraph testing is around 85% accurate. Polygraph testing is considered a valuable tool but is considered a luxury because of the cost it takes to train an individual to administer the tests.

J. Hindman and J.M. Peters, "Polygraph Testing Leads to Better Understanding Adult and Juvenile Sex Offenders," *Federal Probation*, Vol. 65 (3) 2001.

In summary, many states are employing more advanced methods of monitoring released sex offenders. The research has shown that residency restrictions do not work as they can cause an offender to not report to their PO, leave their supervision county, not show up for treatment and possibly lose their positive social support. Of the four methods discussed in this summary, polygraph testing appears to be the most effective tool in making sure that sex offenders are being compliant to the rules set forth in their parole/probation conditions.

Links worth checking out:

National Association of Sentencing Commissions (powerpoint)

<http://www.ussc.gov/STATES/2006conf/Kim%20English%20Panel%20-%20Sex%20Offenders%20Research.pdf>

Association for the Treatment of Sexual Abusers. Using GPS for Sex Offender Management. (Summer of 2006) <http://ccoso.org/GPSforumarticle.pdf>

National Institute of Corrections

<http://www.nicic.org/Features/Library/?Tag=508&Group=9>

Excellent book full of research studies. I own it so if anyone would like to borrow it let me know! LaFond, J.Q. (2005). *Preventing sexual violence: How society should cope with sex offenders*. Washington, DC: American Psychological Association.

Statute Number Violated	Statute Description	Crime Severity	Person Nonperson
* HB 2576	Electronic solicitation of child believe by offender to be less than 14 years of age	1	Person
* SB 25	Furthering the commission of terrorism or illegal use of weapons of mass destruction	1	Person
* HB 2576	Electronic solicitation of child believe by offender to be less than 16 (14 or 15) years of age	3	Person
* SB 366	Criminal street gang intimidation	5	Person
* H Sub for SB 196	Unlawful possession of or use of scanning device	6	Nonperson
* H Sub for SB 196	Unlawful possession of or use of a reencoder	6	Nonperson
* HB 2576	Unlawfully tampering with electronic monitoring equipment	6	Nonperson
* HB 2703	Criminal trespass on a nuclear generating facility	6	Person
* SB 366	Criminal street gangs recruiting	6	Person
* H Sub for SB 51	Trafficking in counterfeit drugs; value \$25,000 or more	7	Nonperson
* H Sub for SB 431	Battery; Any battery against a mental health employee	7	Person
* H Sub for SB 51	Trafficking in counterfeit drugs; value at least \$500 but less than \$25,000	9	Nonperson
* HB 2893	Obstruction of a Medicaid fraud investigation	9	Nonperson
* SB 365	Kansas Estate Tax Act; Representative intentionally signing a fraudulent return	***Unc/10	Nonperson
* SB 25	Terrorism;	off-grid	Person
* SB 25	Illegal use of weapons of mass destruction;	off-grid	Person
21-3402(a)	Murder in the second degree; Intentional killing	1	Person
21-3421	Aggravated Kidnapping; Bodily harm inflicted upon the person kidnapped	1	Person
21-3447(a)(1)(A)	Aggravated Trafficking; Trafficking involving kidnapping or attempted kidnapping	1	Person
21-3502(a)(1)(A)	Rape; Nonconsensual sexual intercourse; Victim overcome by force or fear	1	Person
21-3402(b)	Murder in the second degree; Recklessly, under circumstances manifesting extreme indifference to human life	2	Person
21-3446(a)(1)	Trafficking; Recruit, harbor, transport, provide or obtain a person for forced labor or involuntary servitude	2	Person
21-3502(a)(3)	Rape; Consent obtained through misrepresentation that sexual intercourse is medically necessary	2	Person
21-3506(a)(1)	Aggravated criminal sodomy; Committed w/child under 14 years of age; Offender less than 18 years of age	2	Person
65-67a04(a)	Fetal Organs & Tissue; Solicit, offer, knowingly acquire or accept or transfer any fetal tissue for consideration	2	Nonperson
65-67a06(a)	Fetal Organs & Tissue; Offer monetary or other inducement to procure an abortion	2	Nonperson
65-67a07(a)	Fetal Organs & Tissue; Use of fetal organs or tissue w/o voluntary and informed consent of donor	2	Nonperson
21-3403(a)	Voluntary manslaughter; Intentional killing upon sudden quarrel or in heat of passion	3	Person
21-3406(a)(1)	Assisting suicide; Knowingly, by force or duress, causing another to commit or attempt to commit suicide	3	Person
21-3415(a)(1)(A)	Aggravated Battery; State, county or city LEO; Intentionally causing bodily harm or disfigurement	3	Person
* 21-3719(a)(2)	Aggravated arson; Resulting in great bodily harm or disfigurement to a firefighter or law enforcement officer	3	Person
21-3420(a)	Kidnapping; For ransom, or as a shield or hostage	3	Person
21-3427	Aggravated Robbery; With a dangerous weapon or inflicting bodily harm	3	Person
21-3504(a)(1)	Aggravated indecent liberties w/a child; Sexual intercourse; Child 14 years or more but less than 16	3	Person
21-3505(a)(2)	Criminal sodomy; Committed with child 14 years or more but less than 16	3	Person
21-3719(a)(1)	Aggravated Arson; Arson to occupied building resulting in substantial risk of bodily harm	3	Person
21-4219(b)	Criminal discharge of a firearm; At occupied building or vehicle resulting in great bodily harm to a person	3	Person
21-4222(a)(1)	Aggravated endangering the food supply; Cause damage to plants/animals/economic harm/social unrest	3	Nonperson
17-12a501(1)	Kansas Uniform Securities Act; General Fraud \$100,000 or more (presumptive imprisonment)	4	Nonperson
17-12a502(a)(1)	Kansas Uniform Securities Act; Intentional fraud; \$100,000 or more (presumptive imprisonment)	4	Nonperson
21-3414(a)(1)(A)	Aggravated Battery; Intentionally causing great bodily harm or disfigurement	4	Person
* 21-3415(a)(2)(A)	Aggravated Battery; LEO; Intentionally w/a deadly weapon	4	Person
21-3419a(a)	Aggravated Criminal Threat; Requiring evacuation; Loss of productivity is \$25,000 or more	4	Person
21-3440(a)	Injury to a pregnant woman in the commission of a felony	4	Person
21-3442	Involuntary manslaughter while under the influence of alcohol or drugs	4	Person
21-3504(a)(2)(A)	Aggravated indecent liberties w/a child; Nonconsensual lewd fondling/touching; Child 14 -15 yoa	4	Person
21-4221(a)(1)	Endangering the food supply; Bring in domestic animal affected with or exposed to foot-and-mouth disease	4	Nonperson
17-12a301(1)	Kansas Uniform Securities Act; Intentional, unlawful offering or selling; \$100,000 or more	5	Nonperson
17-12a401(a)	Kansas Uniform Securities Act; Broker-dealer registration violation; \$100,000 or more	5	Nonperson
17-12a402(a)	Kansas Uniform Securities Act; Agent registration violation; \$100,000 or more	5	Nonperson
17-12a403(a)	Kansas Uniform Securities Act; Investment adviser registration violation; \$100,000 or more	5	Nonperson
17-12a404(a)	Kansas Uniform Securities Act; Investment adviser representative registration violation; \$100,000 or more	5	Nonperson
17-12a501(1)	Kansas Uniform Securities Act; General Fraud; At least \$25,000 but less than \$100,000	5	Nonperson
17-12a502(a)(1)	Kansas Uniform Securities Act; Intentional fraud; At least \$25,000 but less than \$100,000	5	Nonperson
21-3404(a)	Involuntary manslaughter; Recklessly	5	Person
21-3413(a)(3)(A)	Battery; State correctional officer/employee	5	Person
21-3414(a)(2)(A)	Aggravated Battery; Recklessly causing great bodily harm or disfigurement	5	Person
21-3419a(a)	Aggravated Criminal Threat; Requiring evacuation; Loss of productivity is at least \$500 but less than \$25,000	5	Person

Statute Number Violated	Statute Description	Crime Severity	Person Nonperson
21-3426	Robbery; Take property from person or presence of another by force or by threat of bodily harm	5	Person
21-3440(c)	Injury to a pregnant woman; while committing battery, battery on LEO, domestic battery or sexual battery	5	Person
21-3441(a)	Injury to a pregnant woman by vehicle while committing a violation of K.S.A. 8-1567	5	Person
21-3503(a)(1)	Indecent liberties with a child; Lewd fondling/touching; Child 14 years or more but less than 16	5	Person
21-3511(a)	Aggravated indecent solicitation of a child; To commit or submit to unlawful sexual act; Child less than 14	5	Person
21-3516(a)(1)	Sexual exploitation of a child; Employ child less than 18 to engage in sexually explicit conduct	5	Person
21-3518(a)(1)	Aggravated sexual battery; Intentional nonconsensual touching; Child 16 or more; By force or fear	5	Person
21-3603(a)(2)(A)	Aggravated Incest; Otherwise lawful intercourse or sodomy w/ a relative 16 or 17 years of age	5	Person
21-3604a	Aggravated abandonment of a child less than 16 years of age resulting in great bodily harm	5	Person
21-3609	Abuse of a child; Great bodily harm; Inflict cruel/inhuman corporal punishment; child less than 18 years	5	Person
21-3701(a)(1)	Theft; Obtain or exert unauthorized control over property; \$100,000 or more	5	Nonperson
21-3704(a)	Theft of services; \$100,000 or more	5	Nonperson
21-3716	Aggravated Burglary; Unauthorized entry into occupied structure or conveyance w/ intent to commit felony	5	Person
21-3810(a)(2)	Aggravated escape from custody; While in lawful custody on charge or adjudication as juvenile offender	5	Nonperson
* 21-3812(d)	Aiding a person required to register under Kansas Offender Registration Act	5	Person
21-3826(a)	Trafficking in contraband in a correctional institution; Contraband = firearm, ammo, explosives or drugs	5	Nonperson
* 21-3910(a)	Misuse of public funds; Aggregate is \$100,000 or more	5	Nonperson
* 21-4018(a)	Identity theft; Monetary loss more than \$100,000	5	Nonperson
21-4219(b)	Criminal discharge of a firearm; At occupied building or vehicle resulting in bodily harm to a person	5	Person
21-4220(a)(3)	Unlawful endangerment; Use of device or weapon to protect drug production; causing serious injury	5	Person
21-4223(b)(2)	Unlawful use of a traffic control signal preemption device; Resulting in a traffic accident causing death	5	Person
* 22-4903	Kansas Offender Registration Act; Failure to register as required	5	Person
* 22-4904(c)(2)	Kansas Offender Registration Act; Failure to return verification to KBI	5	Person
39-720	Mentally Ill, Incapacitated & Dependent Persons; Welfare fraud; \$100,000 or more	5	Nonperson
44-5,125(a)(1)(A)	Worker's compensation fraud; Make a false or misleading statement; \$100,000 or more	5	Nonperson
44-719(a)	Employment Security Law; Make a false statement/representation; Fail to disclose material fact; \$100,000 or +	5	Nonperson
17-12a301(1)	Kansas Uniform Securities Act; Intentional, unlawful offering or selling; At least \$25,000 but less than \$100,000	6	Nonperson
17-12a401(a)	Kansas Uniform Securities Act; Broker-dealer registration violation; At least \$25,000 but less than \$100,000	6	Nonperson
17-12a402(a)	Kansas Uniform Securities Act; Agent registration violation; At least \$25,000 but less than \$100,000	6	Nonperson
17-12a403(a)	Kansas Uniform Securities Act; Investment adviser registration violation; \$25,000 but less than \$100,000	6	Nonperson
17-12a404(a)	Kansas Uniform Securities Act; Investment adviser rep. registration violation; \$25,000 but < \$100,000	6	Nonperson
21-3411(a)(1)	Aggravated Assault; On a state, county or city law enforcement officer	6	Person
21-3419a(a)	Aggravated Criminal Threat; Requiring evacuation; Loss of productivity is less than \$500	6	Person
21-3437(a)(1)	Mistreatment of a dependant adult; Inflict physical injury/unreasonable confinement/ or cruel punishment	6	Person
21-3510(a)(1)	Indecent solicitation of child; Commit or submit to unlawful sexual act; Child 14 - 15 yoa	6	Person
21-3513(a)(1)	Promoting prostitution; Establish/maintain/manage house of prostitution, or participate; Prostitute < 16 yoa	6	Person
21-3718(a)(1)(A)	Arson; Knowingly, by means of fire or explosive; Damage dwelling w/out consent of owner	6	Person
21-3719(a)(1)	Aggravated Arson; Arson to occupied building; Resulting in No substantial risk of bodily harm	6	Person
21-3731(a)	Criminal use of explosives; W/intent to commit a crime; Delivered to another knowing intent to commit crime	6	Person
21-3742(a)	Throwing objects from bridge or overpass; Resulting in vehicle damage and injury to passenger of vehicle	6	Person
21-3766(a)	Tampering w/a pipeline; Intentional and unauthorized alteration of or interference with a pipeline	6	Nonperson
21-3810(b)(1)	Aggravated escape from custody; By use of or threat of violence while in lawful custody	6	Person
21-3826(a)	Trafficking in contraband in a correctional institution; Introduction or attempted introduction or removing from	6	Nonperson
21-3829	Aggravated interference with public business	6	Person
21-3833(a)(1)	Aggravated intimidation of a witness or victim; Express or implied threat of force or violence	6	Person
21-4215(a)(1)	Obtaining a prescription drug by fraudulent means for resale; Selling such drug	6	Nonperson
* 40-2,118(a)	Insurance; Fraudulent acts; \$25,000 or more	6	Nonperson
44-5,125(a)(1)(A)	Worker's compensation fraud; Make a false or misleading statement; \$50,000 to \$100,000	6	Nonperson
65-3441(a)(1)	Solid & Hazardous Wastes; Knowingly dump, deposit, or permit such, into any unauthorized facility	6	Nonperson
8-261a	Automobiles/Vehicles; Drivers' Licenses; Make a false affidavit; Penalty of perjury; Made during a felony trial	7	Nonperson
9-2004(a)	Banking; Willfully swear or affirm falsely; Penalty as for perjury; In a felony trial	7	Nonperson
9-2012	Banking; Embezzlement with intent to injure or defraud	7	Nonperson
9-2203(a)	Mortgage Business Act; License required to conduct mortgage business	7	Nonperson
9-2212(a)	Mortgage Business Act; Compensate, contract with or employ, person not properly licensed or registered	7	Nonperson
16-305(b)	Funeral & Cemetery Merchandise Agreements; Misappropriation of funds; Amount \$25,000 or more	7	Nonperson
16a-5-301(1)	Revised Uniform Consumer Credit Code; Intentional violation of the act; Second or subsequent	7	Nonperson
17-12a101 et. seq.	Kansas Uniform Securities Act; Criminal Penalties; Intentional violation of this act	7	Nonperson
17-12a301(1)	Kansas Uniform Securities Act; Intentional, unlawful offering or selling; Less than \$25,000	7	Nonperson

Statute Number Violated	Statute Description	Crime Severity	Person Nonperson
17-12a401(a)	Kansas Uniform Securities Act; Broker-dealer registration violation; Less than \$25,000	7	Nonperson
17-12a402(a)	Kansas Uniform Securities Act; Intentional violation of agent registration requirements; Less than \$25,000	7	Nonperson
17-12a403(a)	Kansas Uniform Securities Act; Investment adviser registration violation; Less than \$25,000	7	Nonperson
17-12a404(a)	Kansas Uniform Securities Act; Investment adviser representative registration violation; Less than \$25,000	7	Nonperson
17-12a501(1)	Kansas Uniform Securities Act; General Fraud; Less than \$25,000	7	Nonperson
17-12a502(a)(1)	Kansas Uniform Securities Act; Intentional fraud; Less than \$25,000	7	Nonperson
19-3519(b)(3)	Counties & County Officers; Water Supply and Distribution Districts; Fraudulent claims \$25,000 or more	7	Nonperson
21-3410(a)	Aggravated Assault; With a deadly weapon	7	Person
* 21-3413(a)(2)(A)	Battery; Campus or university police officer; Intentionally or recklessly causing bodily harm	7	Person
21-3414(a)(1)(B)	Aggravated Battery; Intentionally w/a deadly weapon, or great bodily harm, disfigurement or death is possible	7	Person
21-3422a(a)(1)	Aggravated interference with parental custody; Hiring one to interfere with parental custody	7	Person
21-3428	Blackmail	7	Nonperson
21-3435(a)(1)	Exposing another to a life threatening communicable disease	7	Person
21-3437(a)(2)	Mistreatment of a dependant adult; Physical or financial resources; Amount is \$25,000 or more	7	Person
21-3513(a)(1)	Promoting prostitution; Prostitute 16 years or older; 2nd or sub. Conviction	7	Person
21-3603(a)(1)	Aggravated Incest; Marriage to a person who is less than 18 years of age and a known relative	7	Person
21-3612(a)(5)	Contributing to a child's misconduct; Encourage child under 18 to commit felony	7	Person
21-3701(a)(1)	Theft; Obtain or exert unauthorized control over property; At least \$25,000 but less than \$100,000	7	Nonperson
21-3704(a)	Theft of services; At least \$25,000 but less than \$100,000	7	Nonperson
21-3707(a)	Giving a worthless check; \$25,000 or more	7	Nonperson
21-3715(a)	Crimes & Punishments; commit felony, theft or sexual battery therein	7	Person
21-3718(a)(1)(C)	Arson; Knowingly, by means of fire or explosive; Damage structure not a dwelling w/o consent of owner	7	Nonperson
21-3720(a)(1)	Criminal damage to property; Damage \$25,000 or more	7	Nonperson
21-3726	Aggravated tampering with a traffic signal; Result or could result in death/great bodily injury of any person	7	Nonperson
21-3729(a)(1)	Criminal use of a financial card; W/o consent of the cardholder; \$25,000 or more w/in 7 days	7	Nonperson
21-3734(a)(1)	Impairing a security interest; \$25,000 or more	7	Nonperson
21-3742(a)	Throwing objects from bridge or overpass; Resulting in injury to pedestrian	7	Person
21-3763(a)	Counterfeiting; Retail value \$25,000 or more; 1000 or more items bearing marks; or 3rd or sub violation	7	Nonperson
21-3802	Sedition	7	Nonperson
21-3805(a)(1)	Perjury; Made during felony trial	7	Nonperson
21-3846(a)(1)	Medicaid; Make false or fraudulent claim; Claim more than \$25,000	7	Nonperson
21-3847(a)(1)	Medicaid; Ssolicit or receive any remuneration, including kickbacks, bribes or rebates for Medicaid goods	7	Nonperson
21-3901	Bribery	7	Nonperson
21-3902(a)(6)	Official Misconduct; Knowingly and willfully submit a false/duplicate claim for expenses; 25,000 or more	7	Nonperson
21-3904(a)	Presenting a false claim; \$25,000 or more	7	Nonperson
21-3905(a)	Permitting a false claim; \$25, 000 or more	7	Nonperson
* 21-3910(a)	Misuse of public funds; Aggregate is at least \$25,000 but less than \$100,000	7	Nonperson
21-4111(a)(2)(B)	Criminal desecration; By means other than by fire or explosive; Damage \$25,000 or more	7	Nonperson
21-4209a	Criminal possession of explosives	7	Person
21-4219(b)	Criminal discharge of a firearm; At an occupied building or occupied vehicle	7	Person
21-4220(a)(2)	Unlawful endangerment; Use device/weapon to protect drug production causing physical injury	7	Person
21-4223(b)(2)	Unlawful use of a traffic control signal preemption device; Resulting in injury or damage to property	7	Person
21-4401(a)(1)	Racketeering; Threat or promise to diminish or eliminate competition	7	Nonperson
25-2409	Elections; Bribery; Voting	7	Nonperson
25-2415(a)(1)	Elections; Intimidation of voters	7	Nonperson
25-2417	Elections; Bribery of an election official	7	Nonperson
25-2418	Elections; Bribe acceptance by an election official	7	Nonperson
39-717(a)(1)	Mentally Ill, Incapacitated & Dependent Persons; Illegal disposition of assistance; Value \$25,000 or more	7	Nonperson
39-720	Mentally Ill, Incapacitated & Dependent Persons; Welfare fraud; Value at least \$25,000 but less than \$100,000	7	Nonperson
40-247(a)	Insurance; Insurance agent or broker failure to pay premium; \$25,000 or more	7	Nonperson
* 40-2, 118(a)	Insurance; Fraudulent acts; At least \$5,000 but less than \$25,000	7	Nonperson
40-5013	Viatical Settlements Act; Violation of act; Contract is \$25,000 or more	7	Nonperson
44-5, 125(a)(1)(A)	Worker's compensation fraud; Make a false or misleading statement; \$25,000 to \$50,000	7	Nonperson
44-719(a)	Employment Security Law; Make false statement/representation; Fail to disclose; \$25,000 but < \$100,000	7	Nonperson
44-1039	Kansas Act Against Discrimination; Falsely swear upon oath or affirmation; Made at felony trial	7	Nonperson
47-1827(a)	Livestock & Domestic Animals; Intent to damage and destroy; Damage is \$25,000 or more.	7	Nonperson
50-718	Fair Credit Reporting Act; Obtaining information under false pretenses	7	Person
50-719	Fair Credit Reporting Act; Unauthorized disclosures by officers or employees	7	Person

Statute Number Violated	Statute Description	Crime Severity	Person Nonperson
50-1002	Loan Brokers; Engage in business as an unregistered loan broker	7	Nonperson
50-1013(a)	Loan Brokers; Penalty for willful violation of the loan broker act	7	Nonperson
50-1017(1)	Loan Brokers; Prohibited acts; Employ any device, scheme or artifice to defraud	7	Nonperson
50-1018	Loan Brokers; Make false or misleading filing or statement	7	Nonperson
66-137	Public Utilities; Powers of State Corporation Commission; Falsifying or destroying accounts/records	7	Nonperson
9-2002	Banking; Make false report, statement or entry in the books	8	Nonperson
17-12a505(a)	Kansas Uniform Securities Act; Misleading filings; Coercion; Obstruction;	8	Nonperson
17-12a506	Kansas Uniform Securities Act; Misrepresentations concerning registration	8	Nonperson
21-3414(a)(2)(B)	Aggravated Battery; Reckless; W/a deadly weapon; great bodily harm, disfigurement or death possible	8	Person
21-3438(a)	Stalking; Second or subsequent conviction within 7 years; Same victim	8	Person
21-3522(a)(1)	Unlawful voluntary sexual relations; Intercourse; Child 14 or 15 yoa and one < 19 and < 4 years older	8	Person
21-3604(a)	Abandonment of a child less than 16 years of age	8	Person
21-3612(a)(4)	Contributing to a child's misconduct; Sheltering or concealing a runaway child	8	Person
21-3710	Forgery	8	Nonperson
21-3711	Making a false writing	8	Nonperson
21-3731(a)	Criminal use of explosives; Possession, manufacture or transportation of	8	Person
21-3755(b)(1)(A)	Computer crime;	8	Nonperson
21-3761(a)(1)	Railroad; Knowingly trespass on railroad property without consent; Damage \$1,500 or more	8	Nonperson
21-3807(a)(1)	Compounding a felony crime; Accept bribe for promise not to initiate or aid in the prosecution of a person	8	Nonperson
21-3810(a)(1)	Aggravated escape from custody; Escaping while held in lawful custody on charge or conviction of felony	8	Nonperson
21-3811(a)	Aiding an escape; Assist one in lawful custody to escape from such custody	8	Nonperson
21-3812(a)	Aiding a felon; Harbor, conceal or aid person to avoid or escape arrest, trial, conviction or punishment	8	Nonperson
21-3830(a)	Dealing in false identification documents	8	Nonperson
21-3840(a)	Aircraft; Failure to register an aircraft	8	Nonperson
21-3841(a)(1)	Aircraft; Fraudulent aircraft registration	8	Nonperson
21-3842(a)(1)	Aircraft; Fraudulent acts relating to aircraft identification numbers	8	Nonperson
21-3902(a)(5)	Official Misconduct; Knowingly destroy, tamper with or conceal evidence of a felony	8	Nonperson
* 21-4018(a)	Identity theft; Monetary loss less than \$100,000	8	Nonperson
21-4105(a)	Incitement to riot	8	Person
21-4202(a)(1)	Aggravated weapons violation	8	Nonperson
21-4204(a)(2)	Criminal possession of firearm	8	Nonperson
21-4219(a)	Criminal discharge of a firearm; At unoccupied dwelling	8	Person
21-4220(a)(1)	Unlawful endangerment; Use device/weapong to protect drug production causing damage or injury to person	8	Nonperson
21-4301a(a)	Promoting obscenity to minors; 2nd or subsequent offense	8	Person
21-4304(a)	Commercial gambling; Operate or receive earnings of a gambling place	8	Nonperson
21-4306(a)	Dealing in gambling devices	8	Nonperson
21-4308(a)	Installing communications facilities for gamblers; Place known by installer to be a gambling place	8	Nonperson
21-4405(a)	Commercial bribery; Knowing violation of duty of fidelity or trust; By an agent or employee of another	8	Nonperson
25-2412(a)	Elections; Forgery	8	Nonperson
25-2423	Elections; Election tampering; While being charged with no election duty, make or change any election record	8	Nonperson
* 40-2,118(a)	Insurance; Fraudulent acts; At least \$1,000 but less than \$5,000	8	Nonperson
44-5,125(b)	Worker's compensation fraud; Submit false claim that worker is covered by act	8	Nonperson
55-904(a)(1)	Oil & Gas; Disposal of salt water; Dispose of salt water in unauthorized manner; 2nd or sub violation	8	Nonperson
65-2434	Uniform Vital Statistics Act; Vital records identity fraud	8	Nonperson
65-2859	Kansas Healing Arts Act; Filing false documents	8	Nonperson
65-4141(a)(1)	Uniform Controlled Substances Act; Use of communication facility for sales/purchases of drugs	8	Nonperson
74-8717(a)	State Boards, Commissions & Authorities; State Lottery; Forgery of lottery ticket	8	Nonperson
74-8810(i)(1)	State Boards, Commissions & Authorities; Parimutuel racing; Selling ticket to person under 18; 2nd or sub	8	Nonperson
74-9809(e)	Tribal gaming oversight; Use or conspire to use device to effect outcome of game	8	Nonperson
79-3333(a)	Taxation; Business of selling cigarettes w/o a license as required	8	Nonperson
8-1327(a)(5)	Automobiles/Vehicles; Misc.; Use of False or Fictitious Name on ID Application	9	Nonperson
8-1568(a)	Fleeing or attempting to elude a LEO; Third or subsequent conviction	9	Person
* 8-1602(a)	Failure to remain at scene of accident resulting in death of any person	9	Person
* 8-1606(a)	Failure of driver/occupant of vehicle involved in accident to report accident resulting in death	9	Person
8-260(a)(5)	Drivers' Licenses; Use of false or fictitious name in any application for a DL	9	Nonperson
8-261a	Drivers' Licenses; Make a false affidavit; Made in a cause, matter or proceeding other than a felony trial	9	Nonperson
* 9-512	Kansas Money Transmitter Act; Penalty for knowingly violating provisions of the Act	9	Nonperson
9-2004(a)	Banking; Willfully swear or affirm falsely; Penalty as for perjury; Other than in a felony trial	9	Nonperson

Statute Number Violated	Statute Description	Crime Severity	Person Nonperson
* 16-305(b)	Funeral & Cemetery Merchandise Agreements; Misappropriation of fundst; Amount \$1000 but < \$25,000	9	Nonperson
* 19-3519(b)(2)	Counties & County Officers; Water Supply and Distribution Districts; Fraudulent claims \$1000 but < \$25,000	9	Nonperson
21-3406(a)(2)(A)	Assisting suicide; Providing the physical means by which another commits or attempts to commit suicide	9	Person
21-3419(a)(1)	Criminal Threat; Threaten violence w/intent to terrorize, cause evacuation or in reckless disregard of risk	9	Person
* 21-3437(a)(2)	Mistreatment of a dependant adult; Take unfair advantage of adult's resources; \$1000 but less than \$25,000	9	Person
21-3438(a)	Stalking; In violation of TRO	9	Person
21-3508(a)(1)	Lewd and lascivious behavior; Public sexual intercourse or sodomy; Presence of person under 16 years	9	Person
21-3522(a)(2)	Unlawful voluntary sexual relations; Sodomy; Child 14 or 15 yoa and person < 19 and < 4 years older	9	Person
21-3608a(a)(1)	Aggravated endangering a child; Intentionally cause/permit child < 18 to be in a dangerous situation	9	Person
21-3610b(a)	Furnishing alcoholic beverages to a minor for illicit purposes; Child less than 18 years of age	9	Person
21-3701(a)(1)	Theft; Obtain or exert unauthorized control over property; At least \$1,000 but less than \$25,000	9	Nonperson
21-3704(a)	Theft of services; At least \$1,000 but less than \$25,000	9	Nonperson
21-3707(a)	Giving a worthless check; At least \$1,000 but less than \$25,000	9	Nonperson
21-3712	Destroying a written instrument with intent to defraud	9	Nonperson
21-3713	Altering a legislative document; Intentionally otherwise than in the regular course of legislation	9	Nonperson
21-3715(c)	Burglary; Motor vehicle, aircraft, or other means of conveyance w/intent to commit felony	9	Nonperson
* 21-3720(a)(1)	Criminal damage to property; Damage at least \$1000 but less than \$25,000	9	Nonperson
* 21-3729(a)(1)	Criminal use of a financial card; At least \$1000 but less than \$25,000 w/in 7 days	9	Nonperson
* 21-3734(a)(1)	Impairing a security interest; At least \$1000 but less than \$25, 000	9	Nonperson
21-3748(a)	Piracy of recordings	9	Nonperson
21-3749(a)	Dealing in pirated recordings; At least 7 or more audio/visual or 100 sound recordings w/in 180 days	9	Nonperson
21-3750(a)	Nondisclosure of source recordings; 7 or more audio/visual or 100 sound recordings w/in 180 days	9	Nonperson
21-3756(a)(1)	Adding dockage or foreign material to grain; Knowingly; Grain intended to be marketed	9	Nonperson
21-3757(b)	Odometers; Tampering with such to reflect lower than true mileage	9	Nonperson
21-3762(b)	Pyramid promotional scheme; Establish, operate, advertise or promote scheme	9	Nonperson
* 21-3763(a)	Counterfeiting; Value \$1000 but < \$25,000; More than 100 but < 1,000 items bearing marks; or 2nd violation	9	Nonperson
21-3764(a)	Theft detection shielding device; Manufacturing or selling of a theft detection shielding device	9	Nonperson
21-3805(a)(1)	Perjury; Made in a cause, matter or proceeding other than a felony trial	9	Nonperson
21-3808(a)	Obstructing legal process or official duty in the case of a felony; Authorized disposition of a felony	9	Nonperson
21-3815(a)	Attempting to influence a judicial officer	9	Nonperson
21-3817(a)(1)	Corrupt conduct of a juror; Promise or agree to give a verdict for or against any party in any proceeding	9	Nonperson
21-3825(a)(1)	Aggravated false impersonation;	9	Nonperson
* 21-3846(a)(1)	Medicaid; Make false or fraudulent claim; Claim \$1000 but less than \$25,000	9	Nonperson
21-3849(a)	Medicaid; Destruction or concealment of records	9	Nonperson
* 21-3902(a)(6)	Official Misconduct; False or duplicate claim for expenses; At least \$1000 but less than \$25,000	9	Nonperson
* 21-3904(a)	Presenting a false claim; At least \$1000 but less than \$25,000	9	Nonperson
* 21-3905(a)	Permitting a false claim; At least \$1000 but less than \$25,000	9	Nonperson
* 21-3910(a)	Misuse of public funds; Aggregate is at least \$1,000 but less than \$25,000	9	Nonperson
* 21-4111(a)(2)(B)	Criminal desecration; By means other than by fire or explosive; Damage at least \$1000 but < \$25,000	9	Nonperson
21-4201(a)(6)	Criminal use of weapons; Possess any device used to silence firearm	9	Nonperson
21-4202(a)(1)	Aggravated weapons violation	9	Nonperson
21-4214(a)(1)	Obtaining a prescription drug by fraudulent means; 2nd or subsequent offense	9	Nonperson
21-4223(b)(2)	Unlawful use of a traffic control signal preemption device	9	Nonperson
21-4301(a)(1)	Promoting obscenity; 2nd or subsequent offense	9	Person
21-4406(a)(1)	Sports bribery; Confer, offer or agree to confer, benefit upon sports participant	9	Nonperson
21-4408	Tampering with a sports contest	9	Nonperson
22-2809a(b),(c)	Conditions of Release; Surety or agent thereof; Second or subsequent offense	9	Nonperson
25-1122d	Elections; False statement on an advanced voting application for ballot	9	Nonperson
25-1124	Elections; Person assisting a sick, physically disabled or illiterate voter; undue influence	9	Nonperson
25-2411(a)	Elections; Perjury; Statements in answer to questions of a person challenged as unqualified to vote	9	Nonperson
25-2414	Elections; Possess false or forged election supplies	9	Nonperson
25-2428	Elections; Destruction of election supplies;	9	Nonperson
25-2429	Elections; Destruction of election papers;	9	Nonperson
25-2431	Elections; False impersonation of a voter; Representing oneself as another and then voting or attempting such	9	Nonperson
* 39-717(a)(1)	Mentally Ill, Incapacitated & Dependent Persons; Illegal disposition of assistance; \$1000 but < \$25,000	9	Nonperson
39-720	Mentally Ill, Incapacitated & Dependent Persons; Welfare fraud; Value at least \$1,000 but less than \$25,000	9	Nonperson
* 40-247(a)	Insurance; Insurance agent or broker failure to pay premium; At least \$1000 less than \$25,000	9	Nonperson
* 40-5013	Viatical Settlements Act; Violation of act; Contract is at least \$1000 but less than \$25,000	9	Nonperson

Statute Number Violated	Statute Description	Crime Severity	Person Nonperson
*44-5,125(a)(1)(A)	Worker's compensation fraud; Make a false or misleading statement; \$1000 to \$25,000	9	Nonperson
44-719(a)	Employment Security Law; Make false statement/representation; Fail to disclose; \$1,000 but < \$25,000	9	Nonperson
44-1039	Kansas Act Against Discrimination; Falsely swear upon oath or affirmation; Proceeding other than felony trial	9	Nonperson
* 47-1827(a)	Livestock & Domestic Animals; Intent to damage and destroy; Damage is at least \$1000 but less than \$25,000	9	Nonperson
51-301(a)	Motion Pictures; Unlawful use of a recording device; Second or subsequent conviction	9	Nonperson
55-162(e)	Oil & Gas; Regulatory provisions; Removal of seal on well without proper approval	9	Nonperson
55-904(a)(1)	Oil & Gas; Disposal of salt water; Knowingly, willfully dispose of salt water in unauthorized manner	9	Nonperson
55-1004	Oil & Gas; Disposal of Brines & Mineralized Waters; In oil-field disposal wells at excessive pressures	9	Nonperson
55-1005	Oil & Gas; Disposal of Brines & Mineralized Waters; Use unapproved wells for disposal	9	Nonperson
59-2121(a)	Adoption; Knowingly and intentionally receive or accept clearly excessive fees or expenses	9	Nonperson
65-2861	Kansas Healing Arts Act; False swearing	9	Nonperson
65-4153(a)(1)	Deliver, possess or manufacture w/ intent to deliver, any simulated controlled substances	9	Nonperson
65-4155(a)(1)	Delivering noncontrolled substance to child < 18 by person 3 yrs older and > 18 w/ misrepresentation	9	Nonperson
74-8718(a)(1)	State Lottery; Sell a lottery ticket or share at other than fixed price; 2nd or subsequent offense	9	Nonperson
74-8719(a)(1)	State Lottery; Unauthorized purchase or share in winnings; 2nd or subsequent offense	9	Nonperson
8-113	Automobiles/Vehicles; Identity of vehicles; Tampering with Vehicle ID numbers	10	Nonperson
8-116(a)	Automobiles/Vehicles; Vehicle identification numbers; Sale of vehicle w/ID destroyed, removed, etc.	10	Nonperson
8-607	Automobiles/Vehicles; Fair Trade Act; Penalty for any violation of act	10	Nonperson
* 8-1602(a)	Failure to remain at scene of accident resulting in great bodily harm to any person	10	Person
* 8-1606(a)	Failure of driver/occupant of vehicle involved in accident to report accident resulting in great bodily harm	10	Person
9-2010	Banking; Insolvent bank receiving deposits	10	Nonperson
17-5412	Corporations; Savings & Loans Code; Capital; Declaration of dividends	10	Nonperson
17-5811	Corporations; Savings & Loans Code; Misc.; Accept payment when capital impaired	10	Nonperson
17-5812	Corporations; Savings & Loans Code; Misc.; Fraudulent Acts	10	Nonperson
21-3422(a)	Interference with parental custody;	10	Person
21-3438(a)	Stalking; With intent to place such person in reasonable fear for such person's safety	10	Person
21-3520(a)(1)	Wildlife Parks & Recreation; Capture, kill, possess any animal listed in subsection (b); Value of \$1000 or more	10	Person
21-3522(a)(3)	Unlawful voluntary sexual relations; Lewd fondling/touching; Child 14 or 15 by one < 19 and < 4 years older	10	Person
21-3601(a)(1)	Bigamy; Marriage by a person who has another spouse living at the time of such marriage	10	Person
21-3602	Incest; Sexual intercourse or sodomy w/a person 18 or more years of age and a known biological relative	10	Person
21-3605(a)(1)	Nonsupport of a child;	10	Nonperson
21-3736(a)(1)	Warehouse receipt fraud;	10	Nonperson
21-3814(a)	Aggravated failure to appear; Willfully incurring forfeiture of an appearance bond and failing to surrender	10	Nonperson
21-3838(a)	Unlawful disclosure of authorized interception of wire	10	Nonperson
21-4209(a)(1)	Criminal disposal of explosives; Knowingly sell, give or transfer to a person under 21 years of age	10	Person
21-4315(a)(1)	Unlawful conduct of dog fighting; Cause dog fighting for amusement or gain	10	Nonperson
21-4315(a)(3)	Unlawful conduct of dog fighting; Train, own, keep, transport or sell any dog for the purpose dog fighting	10	Nonperson
25-2420(a)	Elections; Fraud by an election officer; Receive vote by a person not registered otherwise not qualified to vote	10	Nonperson
25-2421(a)	Elections; Knowingly suppress certificate of nomination, nomination papers, petition for nomination	10	Nonperson
25-2422(a)	Elections; Unauthorized voting disclosure;	10	Nonperson
25-2425(a)	Elections; Voting machine fraud; Being in unlawful or unauthorized possession of a voting machine key	10	Nonperson
25-2426	Elections; Printing and circulating imitation ballots; Knowingly printing and circulating sample or imitation ballots	10	Nonperson
25-4414(a)	Elections; Electronic voter system fraud;	10	Nonperson
25-4612(a)	Elections; Optical scanning equipment fraud; Unlawful or unauthorized possession of ballots or programs	10	Nonperson
* 32-1005(a)(1)	Wildlife Parks & Recreation; Commercialization of wildlife; Value of \$1000 or more	10	Nonperson
34-293	Grain & Forage; Unlawful issuance of receipt for warehouse grain	10	Nonperson
34-295	Grain & Forage; Negotiation of receipt for encumbered grain w/intent to defraud	10	Nonperson
39-759(a)	Mentally Ill, Incapacitated & Dependent Persons; Unlawful acts; Information concerning absent parents;	10	Nonperson
47-1827(b)	Livestock & Domestic Animals; Exercise control w/intent to deprive owner and damage enterprise at facility	10	Nonperson
55-156	Oil & Gas; Regulatory provisions; Fail to plug well as required to protect water, prior to abandoning well	10	Nonperson
55-157	Oil & Gas; Regulatory provisions; Fail to cement in the surface casing as required to protect water	10	Nonperson
65-3025(a)	Kansas Air Quality Act; Knowingly violate an order issued under this act	10	Nonperson
65-3026(b)	Kansas Air Quality Act; Penalty for knowingly violating provisions of K.S.A. 65-3025	10	Nonperson
65-3441(a)(11)	Solid & Hazardous Wastes; Unauthorized transport and disposal	10	Nonperson
65-6703(a)	Abortion; Abortion of viable fetus; Second or subsequent conviction	10	Nonperson
65-6721(a)	Abortion; Partial birth abortion on viable fetus prohibited unless exceptions apply	10	Nonperson
65-67a09(c)	Child Rape Protection Act; Failure of a physician to comply; Second or subsequent conviction	10	Nonperson
79-3464e(a)(10)	Taxation; Motor Vehicle Fuel Taxes; Falsify, forge or willfully conceal any required books, papers, or records	10	Nonperson

Statute Number Violated	Statute Description	Crime Severity	Person Nonperson
79-5208	Taxation; Marijuana & Controlled substances; Failure to affix tax stamps	10	Nonperson
8-1567(a)(1)	DUI; Alcohol concentration is .08 or more; 3rd conviction	** Nongrid	Nonperson
* 8-2,144(a)(1)	Commercial DUI; Alcohol concentration in the person's blood or breath is .04 or more; third conviction	** Nongrid	Nonperson
* 21-4310(a)(1)	Cruelty to animals; Intentionally and maliciously killing, injuring, maiming, torturing, burning or mutilating	** Nongrid	Nonperson
21-3412a(a)(1)	Domestic Battery; Intentionally or recklessly causing bodily harm; 3rd or subsequent within 5 years	** Nongrid	Person
* 21-4318(a)	Cruelty to animals; Inflicting harm, disability or death to a working dog	** Nongrid	Nonperson
22-4405	Criminal Procedure; Agreement on Detainers; Escape from custody while in state on detainer	***Unc/10	Nonperson
41-405	Kansas liquor control act; Warehouse; False reports and unlawful removal	***Unc/10	Nonperson
44-619	Labor & Industries; Induce violation of act or orders	***Unc/10	Nonperson
47-421	Livestock & Domestic Animals; Marks & Brands; Unlawful branding or defacing of brands	***Unc/10	Nonperson
58-3304(1)	Uniform Land Sales Practices Act; Offer or dispose of any interest in subdivided lands prior to registration	***Unc/10	Nonperson
58-3315	Uniform Land Sales Practices Act; Penalty for willful violation of act	***Unc/10	Nonperson
65-6a40	Meat & Poultry; Violation of act involving intent to defraud; Transportation or distribution of adulterated article	***Unc/10	Nonperson
65-5707	Emergency Planning/Community Right-To-Know; Fail to submit lists of chemicals and MSDS sheets	***Unc/10	Nonperson
65-5709	Emergency Planning/Community Right-To-Know; Violation of section 304 of the federal act, K.S.A. 65-5707	***Unc/10	Nonperson
75-4228	State Departments; Liability of Treasurer and Director of Accounts and Reports	***Unc/10	Nonperson
75-4314	State Departments; Public Officers & Employees; Unlawful receipt of funds by a public official	***Unc/10	Nonperson
79-15,137(e)	Taxation; Death Tax; Intentionally sign a fraudulent return	***Unc/10	Nonperson
79-3228(f)	Taxation; Income Tax; Willfully sign a fraudulent return	***Unc/10	Nonperson
65-4142(a)	Knowingly or intentionally receive or acquire proceeds in violation of act; \$500,000 or more	d 1	Nonperson
65-4159(a)	Unlawful manufacture or attempted unlawful manufacture of a controlled substance	d 1	Nonperson
65-4161(a)	Possess w/ intent to sell; Opiates, opium or narcotic drugs, or stimulants; Two or more prior convictions	d 1	Nonperson
65-4142(a)	Knowingly or intentionally receive or acquire proceeds in violation of act; \$100,000 to \$500,000	d 2	Nonperson
65-4161(a)	Possess w/ intent to sell; Opiates, opium or narcotic drugs, or stimulants; One prior conviction	d 2	Nonperson
65-4163(a)(1)	Sell or possess w/ intent to sell or deliver; Depressant; Within 1,000 feet of school	d 2	Nonperson
* 65-7006(a)	Chemical Control Act; Possess precursors w/ intent to use such to manufacture a controlled substance	d 2	Nonperson
65-4142(a)	Knowingly or intentionally receive or acquire proceeds in violation of act; \$5,000 to \$100,000	d 3	Nonperson
65-4161(a)	Possess w/ intent to sell; Opiates, opium or narcotic drugs, or stimulants; 1st offense	d 3	Nonperson
65-4163(a)(1)	Sell or possess w/ intent to sell or deliver; Depressants	d 3	Nonperson
65-4142(a)	Knowingly or intentionally receive or acquire proceeds in violation of act; Less than \$5,000	d 4	Nonperson
65-4152(a)(3)	Possession of paraphernalia w/ intent to grow, manufacture, produce, sell or distribute a controlled substance	d 4	Nonperson
65-4153(a)(3)	Deliver, possess or manufacture w/ intent to deliver, any drug paraphernalia; Deliver to person under 18 yo	d 4	Nonperson
65-4160(a)	Possession of opiates, opium or narcotic drugs, or stimulants in violation of act	d 4	Nonperson
65-4162(a)(1)	Possession of depressants; 2nd offense	d 4	Nonperson
65-4164(a)	Possess or possess w/ intent to sell or deliver; Substances in K.S.A. 65-4113 to child under 18 years of age	d 4	Nonperson
21-3401(a)	Murder in the first degree; Intentionally and with premeditation	off-grid	Person
21-3439(a)(1)	Capital Murder; Intentional/premeditated; In commission of kidnapping/aggravated kidnapping, for ransom	off-grid	Person
* 21-3447(a)(1)(A)	Aggravated Trafficking; Involving kidnapping/attempted kidnapping; Victim < 14 yo; Offender 18 or older	off-grid	Person
* 21-3502(a)(2)	Rape; Sexual intercourse with child under 14 years of age; Offender 18 years of age or older	off-grid	Person
* 21-3504(a)(3)(A)	Aggravated indecent liberties w/a child; Lewd fondling/touching; Child < 14 years of age; Offender 18 or older	off-grid	Person
* 21-3506(a)(1)	Aggravated criminal sodomy; Committed with child under 14 years; Offender 18 years of age or older	off-grid	Person
* 21-3513(a)(1)	Promoting prostitution; Prostitute is less than 14 years of age; Offender 18 years of age or older	off-grid	Person
* 21-3516(a)(5)	Sexual exploitation of a child; Employ child < 14 to engage in sexually explicit conduct; Offender 18 or older	off-grid	Person
21-3801(a)	Treason; Levying war against the state, adhering to its enemies, or giving them aid and comfort	off-grid	Person
17-1311a	Cemetery Corporations; Misuse of the permanent maintenance fund	D	
47-604	Livestock & Domestic Animals; Penalty for violating quarantine; 2nd or subsequent conviction	D	
65-28,107(c)	Kansas Healing Arts Act; Falsify/forge/conceal or withhold declaration; w/intent to cause death	E	
75-7b19	Private Investigative or Security Operations; Knowingly falsify fingerprints or photographs	E	

** Nongrid crime, the sentence for which is included in the statute defining the crime. See KSA 21-4704(i).

*** Unclassified felony, the sentence for which *if not provided in the statute defining the crime*, shall be in accordance with a comparable offense on the crime severity scale. All Unclassified felonies shall be considered and scored as SL 10 Nonperson crimes for criminal history purposes. See KSA 21-4707(c)(3) and 21-4710(d)(8).

Kansas Public Employees Retirement System

KPERS Overview, Funding & Initiatives

Senate Ways & Means Committee

▪

January 25, 2007

KPERS Overview

KPERS' mission is to provide retirement, disability and survivor benefits to our members and their beneficiaries.

Administer three statewide, defined benefit plans for public employees.

- Kansas Public Employees Retirement System
- Kansas Police & Firemen's Retirement System
- Kansas Retirement System for Judges

Partner with 1,450 state and local government employers.

- State of Kansas
- 296 school districts
- 105 counties
- 400 cities & townships
- Other employers include libraries, hospitals, community colleges & conservation districts

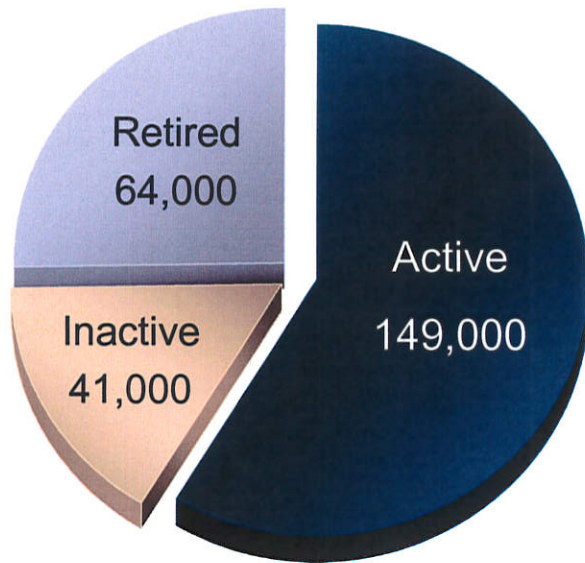
Governed by a nine-member Board of Trustees.

- 85-member staff.

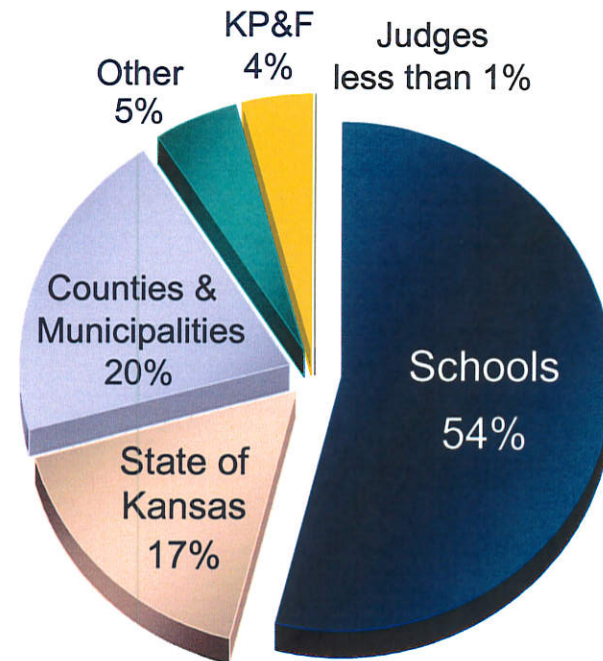
Membership

- Serve 254,000 members.
- State of Kansas is largest participating employer.
- More than half of active members employed by school districts.
 - State of Kansas pays the employer contributions for all school members.

Total Membership



Active Membership



Defined Benefit Basics

KPERS is a defined benefit plan governed by K.S.A. 74-4901 *et seq.* and Section 401(a) of the Internal Revenue Code.

- KPERS retirement benefits considered contractual obligations of the State of Kansas.

The Legislature enacts retirement plan design in state statutes, including:

- Eligibility for membership
- Employee & employer contribution rates
- Service credit
- Vesting requirements
- Benefit formula
- Retirement eligibility

Statutory Benefit Formula (KPERS)

▪ Final Average Salary	X	Years of Service	X	Statutory Multiplier	=	Annual Benefit
<i>Example: \$35,000</i>	X	<i>30 years</i>	X	<i>1.75%</i>	=	<u><i>\$18,375</i></u>

Defined Benefit Funding

KPERS primary funding objective is to accumulate enough assets during members' working years to pay all promised benefits when members retire.

- Secondary objective is to establish employer contribution rates that remain relatively level from year to year.

Retirement Funding

▪ Contributions + Investments - Expenses = Benefits

↳ *Employers = Changes annually based on actuarial calculations*
 ↳ *Employees = 4% statutory rate*
 ↳ *Assumed actuarial rate = 8%*

Actuarial Funding Concepts

Benefits are pre-funded with contributions plus investment income.

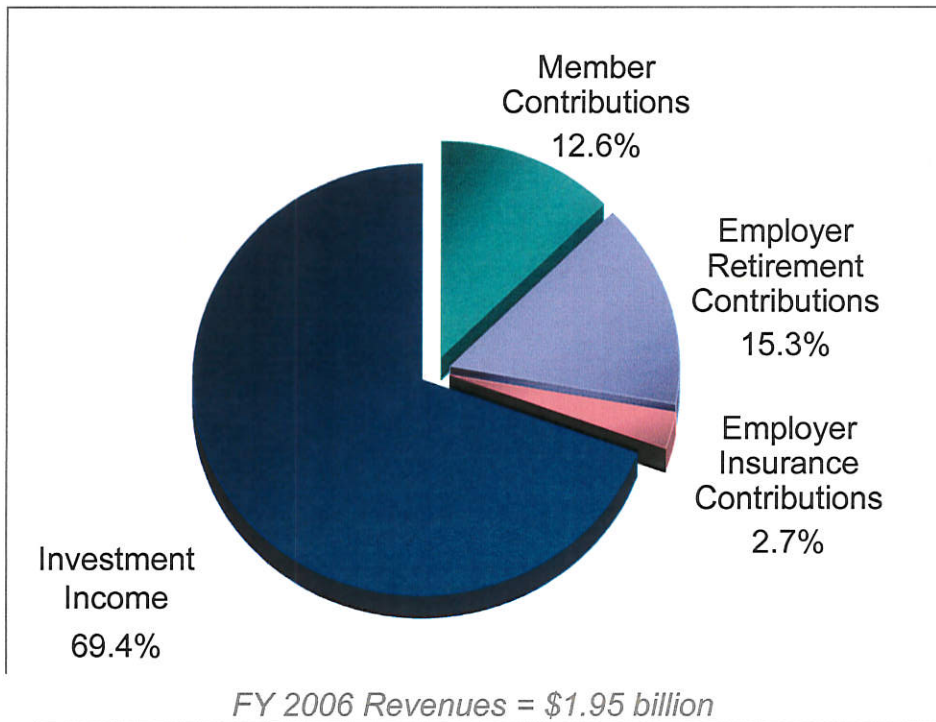
- Members & employers contribute for future benefits during working careers.
- Each year, KPERS' consulting actuary values the assets and liabilities and calculates employer contribution rates needed to properly fund benefits.

Financial Basics

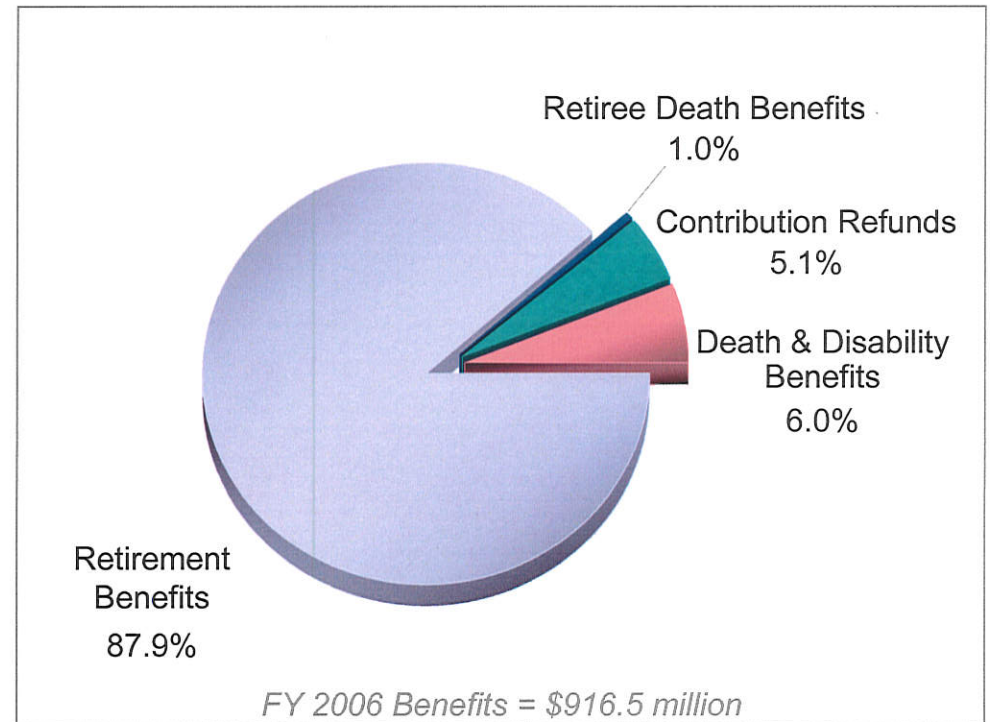
KPERS' total revenues were nearly **\$2 billion** with benefit payments approaching **\$1 billion** for fiscal year 2006.

- Approximately 85% to 90% of benefits remain in Kansas.

FY 2006 Revenues



FY 2006 Benefits

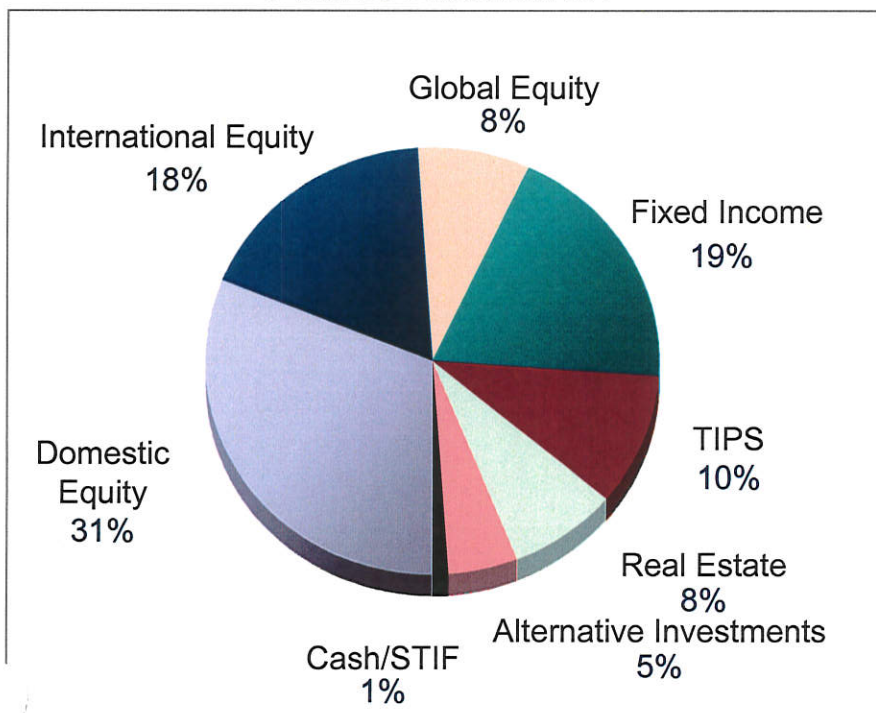


Assets

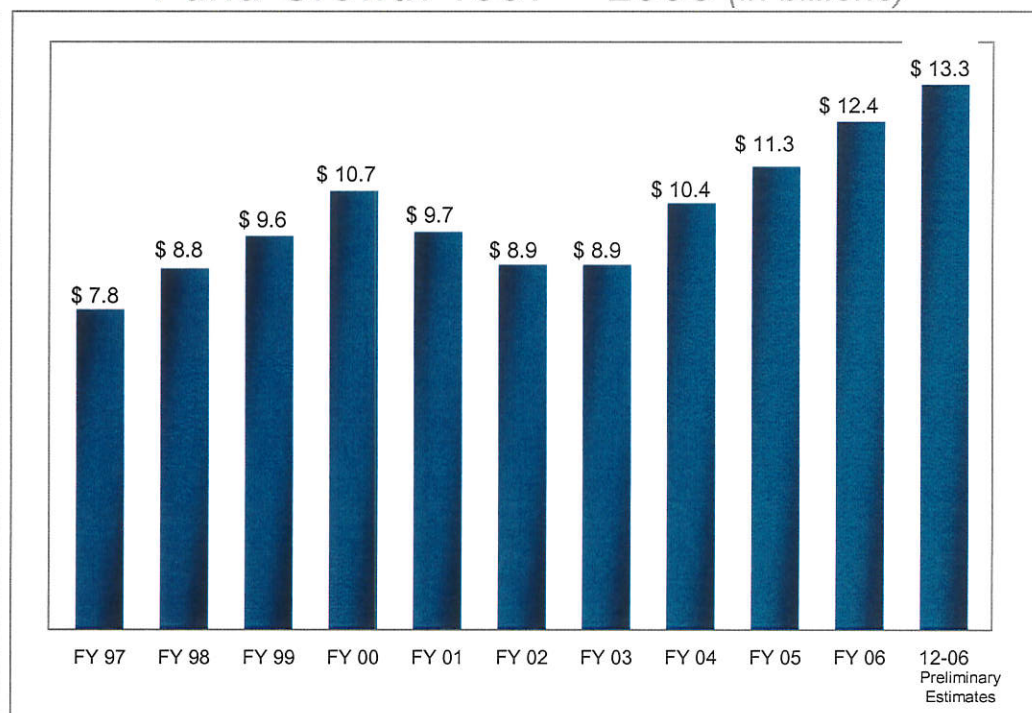
KPERS manages the investment of \$13 billion in trust fund assets in the U.S. and international markets.

- 103rd largest pension fund in the United States.

Asset Allocation



Fund Growth 1997 – 2006 (in billions)

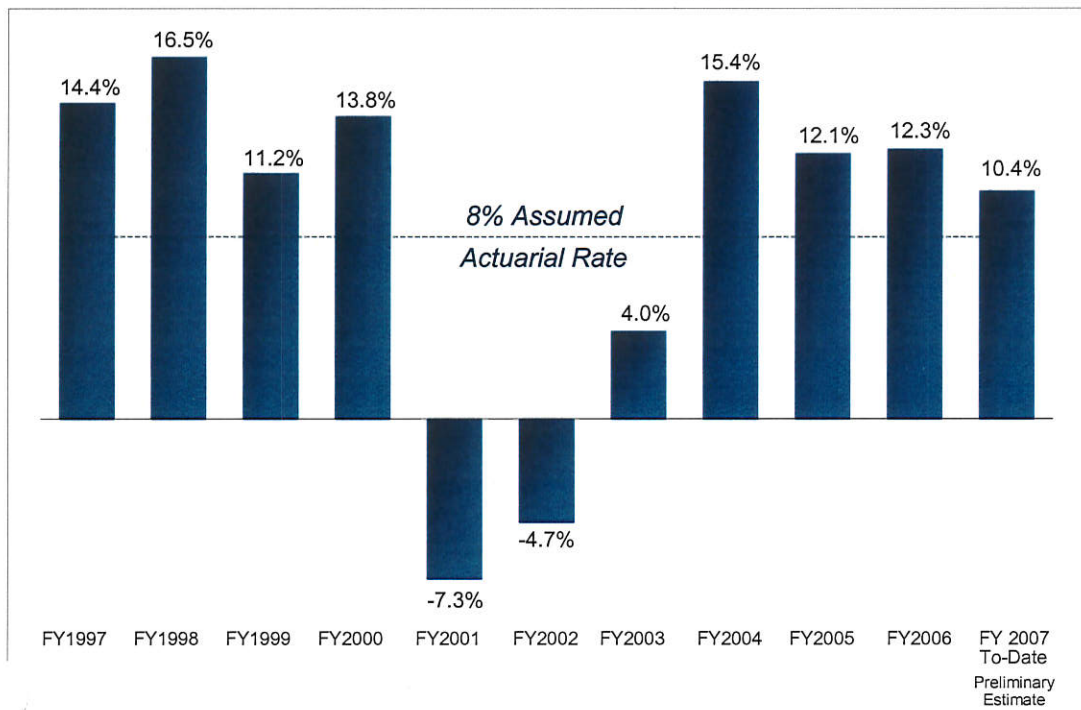


Investment Returns

KPERS' investment return for fiscal year 2006 was 12.3%.

- Returns for fiscal years 2001-2003 were below 8% actuarial assumption.
- Earned more than 11% from 1997-2000 and 2004-2006.

Investment Returns



Total Returns (FY 1997 – FY 2006)

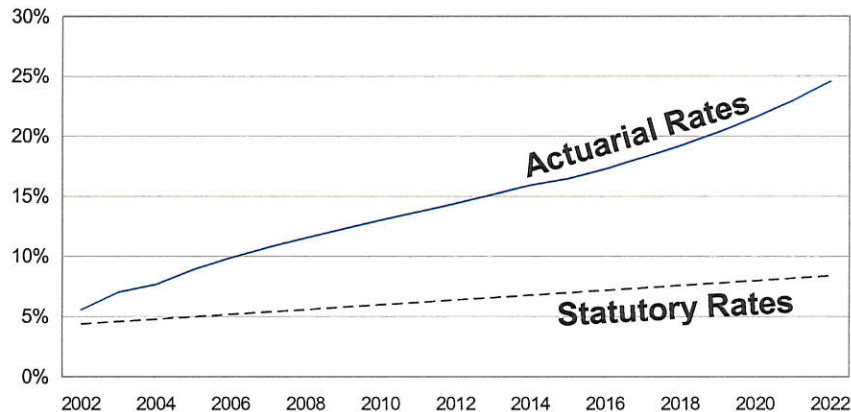


Funding Background

In 2001 and 2002, actuarial projections indicated the KPERS retirement plan was not in actuarial balance.

- Statutory rates were not projected to reach actuarially-required rates before the end of the amortization period.

KPERS State/School Group – Projected Employer Contribution Rates
 Statutory (Actual) Rates vs. Actuarially-Required Rates as of December 31, 2002



Projected ARC^(a) Rate None

Projected ARC^(a) Date None

^(a) ARC Rate & Date represent the date and contribution rate at which the statutory rate employer rates converges with the actuarially-required employer rate.

- Following the 2001 actuarial valuation results, KPERS began working with Joint Committee on Pensions, Investments and Benefits to develop a comprehensive long-term funding plan to address the shortfall.

Funding Progress

Significant progress on long-term retirement funding plan in last three years.

- 2003 legislation increased statutory cap on State/School employer contribution rates from 0.2% annually to:
 - 0.4% in FY 2006,
 - 0.5% in FY 2007, and
 - 0.6% in FY 2008 and subsequent years.

- Pension obligation bonds issued in February 2004.
 - \$500 million in pension obligation bonds issued with \$440.2 million in net proceeds to KPERS.
 - Debt service paid through the State General Fund.

Funding Status

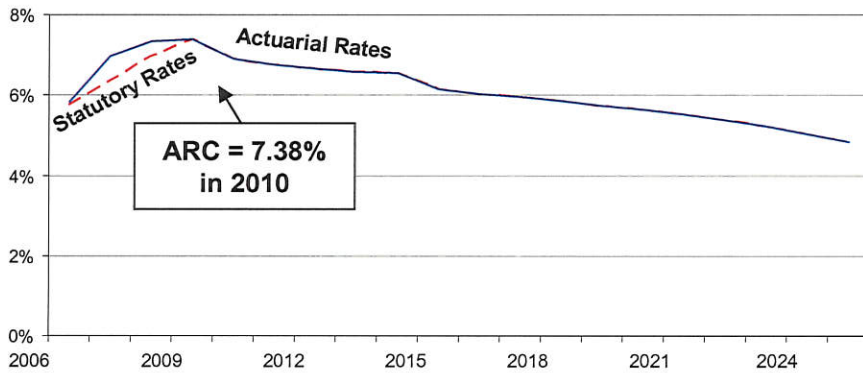
Based on 12-31-05
Actuarial Valuation Results

	Unfunded Actuarial Liability (in millions)	Funded Ratio	Where we are now	Where we should be	Projections for reaching where we should be
			Employer Contribution Rates		
			FY 07 Actual	FY 07 Actuarial	ARC Projections Rate & Date ^(a)
KPERS					
▪ State Group	\$ 471	85%	5.77%	5.84%	7.38% in 2010
▪ School Group	3,455	61%	5.77%	9.75%	12.82% in 2019
▪ Local Group	869	67%	4.31%	7.69%	8.42% in 2015
KP&F	\$ 341	80%	12.52%	12.52%	At actuarial rate now
Judges	\$ 16	85%	19.11%	19.11%	At actuarial rate now
Total System	\$5,152	69%	-	-	-

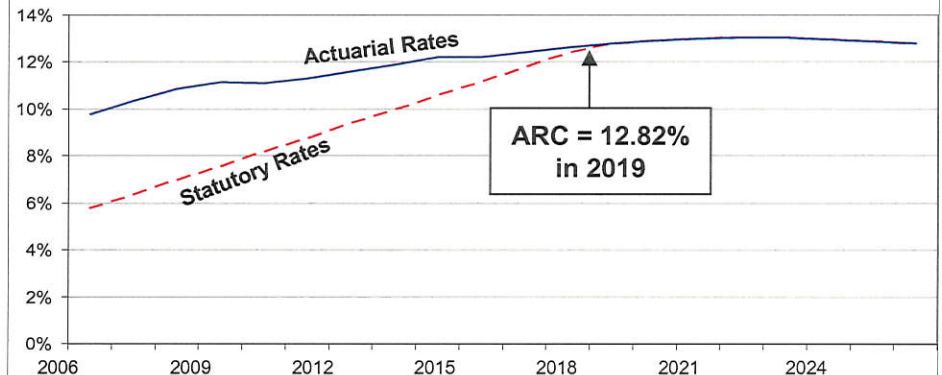
(a) ARC = Estimated, projected rate and date at which statutory (actual) employer contribution rate reaches the actuarially-required rate.

Funding Status by Group

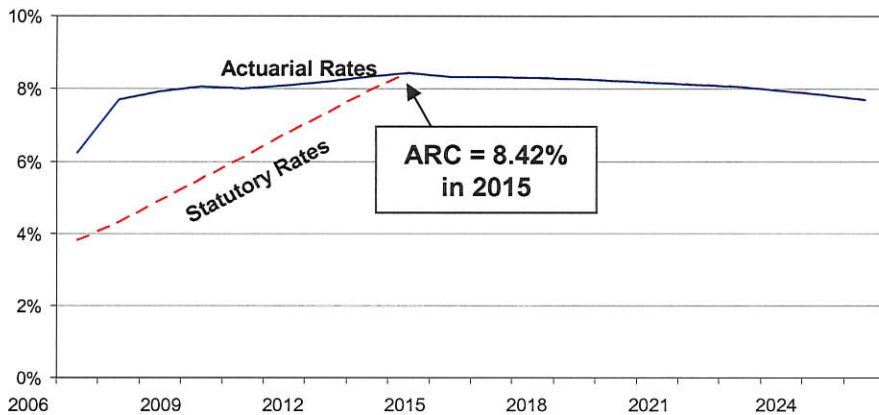
Projected Employer Contribution Rates – State Group



Projected Employer Contribution Rates – School Group



Projected Employer Contribution Rates – Local Group



Funding Projections – All Groups

- (a) Funding projections based on results of KPERS' actuarial valuation dated December 31, 2005.
- (b) Funding projections based on actual investment performance through calendar year 2005 and assume 8% annual investment return for calendar year 2006 and thereafter.

Current Funding Plan – State

State of Kansas pays employer contributions for State employees and sends School employer contributions to school districts for remittance to KPERS.

- KPERS contributions expected to increase from about 1.5% of total State expenditures in 2007 to 2% to 3.5% of total State expenditures in 2020 (depending on the overall growth rate in State expenditures).

	State Group <u>(millions)</u>	School Group <u>(millions)</u>	POB Debt Service <u>(millions)</u>	Total State Payments <u>(millions)</u>	Annual Increase <u>(millions)</u>
FY 2006	\$ 45.4	\$ 141.1	\$ 10.0	\$ 196.5	\$27.8
FY 2007	\$ 50.9	\$ 158.4	\$ 15.0	\$ 224.3	
FY 2008	\$ 57.6	\$ 179.3	\$ 26.1	\$ 263.0	\$38.7
FY 2009	\$ 64.7	\$ 201.1	\$ 36.2	\$ 302.0	\$39.0
FY 2010	\$ 70.7	\$ 225.2	\$ 36.2	\$ 332.1	\$30.1
FY 2015	\$ 70.7	\$ 399.7	\$ 36.1	\$ 506.5	
FY 2020	\$ 72.7	\$ 585.4	\$ 36.1	\$ 694.2	
FY 2030	\$ 68.4	\$ 777.8	\$ 36.1	\$ 882.3	

Funding Issues

With recent funding improvements, KPERS is in actuarial balance but significant funding challenges remain.

- KPERS funding leveraged for the next 10 - 15 years until employer contributions reach actuarially-required levels.
- UAL will continue to increase and funded ratio will decrease until statutory employer rates catch up with actuarially-required rates.
- Funding risk can only be mitigated through accelerated employer contributions to reach the actuarially-required levels (ARC rates) sooner.

KPERS funding outlook volatile because of investment markets.

- Funding projections assume investment returns of 8%.
- Funding projections change as actual experience unfolds and differs from 8%.
 - For example, CY 2006 returns higher than 8% likely will improve funding projections modestly when the 2006 actuarial valuation is performed (i.e., School Group ARC reduced 1% to 1.5% and occurs a couple years earlier).
- Any negative returns in future years will push the ARC rates and dates back.
 - With CY 2007 returns of negative 3%, for example, the School Group ARC would be pushed out to around 15% in 2022.

Plan Design Review

As the final piece of the long-term funding plan for KPERS, the Joint Committee on Pensions, Investments and Benefits has been considering plan design changes for **future** members during the last several years.

The tenuous nature of KPERS funding, along with demographic trends and projections, appear to support plan design changes for future members.

- Current retirement rules create incentives for the most experienced and marketable employees to leave in their early- to mid-50s.
- As the Baby Boomer generation begins to retire, a larger number of members will move into retirement and collect benefits.
- Ratio of active, contributing members to retired members is expected to decline from current level of 2.40 active members for each retiree to about 1.67 in 2020.
- Members who retire in 2036 expected to live (and collect benefits) about two years longer than those who retire in 2006.

During 2006, the KPERS Board of Trustees and the Joint Committee systematically examined a range of plan design alternatives for **future** members.

Plan Design Recommendations

Recommended Plan Design Objectives

- **Financial Soundness** - Establish actuarial funding plan with an affordable mix of employer & employee contribution rates that ensures financial soundness of the plan over the long term.
- **Retirement Benefit Adequacy** - Provide benefits that, when combined with Social Security and personal savings, sustain the retiree's standard of living in retirement.
- **Workforce Incentives** - Provide sufficient incentives to attract and retain high quality employees as part of the total compensation and benefits package.

Recommended Plan Design Features

- Direct greater emphasis and resources toward encouraging personal savings.
- Increase the normal retirement age above current levels.
- Reduce incentives for members to retire early.
- Provide earlier membership and vesting for all employees.
- Protect the purchasing power of KPERS retirement benefits over time.

Plan Design Bill

Following an interim study in 2006, the Joint Committee on Pensions, Investments and Benefits approved the introduction of a bill providing the following benefits for KPERS members first employed on or after **July 1, 2009**:

- First day membership.
- Five-year vesting.
- Normal retirement at age 65 with five years of service, or at age 60 with 30 years.
- Early retirement at age 55 with 10 years of service with reduced early retirement subsidies for members with less than 30 years of service.
- Automatic annual 2% cost-of-living adjustments beginning at age 65.
- Employee contribution rate 6%.

The bill also will include two enhancements for current employees:

- First day membership for those hired between July 1, 2008, and June 30, 2009.
- Five-year vesting effective July 1, 2009.

Plan Design Cost Impact

Although plan design changes for future employees will not significantly impact reaching the ARC rates, such changes would significantly reduce liabilities and contributions beginning in 15 to 20 years.

Plan Design Cost Estimates for State & School Groups

	Current Plan	Joint Committee Plan
Actuarially-Required Employer Contribution Rate (ARC Rate)	12.82%	11.75%
ARC Date	FY 2019	FY 2017
Employer Contributions		
FY 2010	\$ 296 million	\$ 296 million
FY 2011	328	328
FY 2012	361	361
FY 2013	395	395
FY 2014	432	432
FY 2015	470	470
FY 2020	658	592
FY 2025	767	639
FY 2030	846	611
Totals thru 2033	<u>\$ 16.4 billion</u>	<u>\$ 13.8 billion</u>
	← <i>Est. Savings = \$2.6 billion</i> →	

Other Legislative Issues

Deferred Compensation Plan Administration

- The Joint Committee on Pensions, Investments and Benefits approved the introduction of a bill transferring administration of the State’s Deferred Compensation Plan from the Department of Administration to KPERS effective January 1, 2008.
- The Secretary of Administration and the KPERS Board of Trustees support the transfer which is intended to improve the coordination of retirement education and planning for State and local employees and to facilitate increased emphasis on personal savings for retirement.

Tax-Free Insurance Premium Deductions for Public Safety Officers (HB 2078)

- The federal Pension Protection Act of 2006 allows for federal tax-free distributions from a pension plan of up to \$3,000 per year to pay premiums on health or long-term care insurance for retired public safety officers.
- House Bill 2078 is the State enabling legislation needed to implement the insurance premium deductions for an estimated 5,000 to 10,000 retired KP&F and KPERS public safety officers.
- Estimated implementation costs include one-time costs of \$442,000 for information system changes and annual costs of \$35,000 for one additional full-time benefits processing position.

Minor Legislative Amendments

- Increasing earnings limit for disabled KP&F Tier II members from \$10,000 to \$20,000 (HB 2076).
- Modifying rules for improper withdrawals & service credit application between systems (HB 2077).

Appendix

Employer Contribution Alternatives

- **Employer Cap Increase to 0.8%**
- **Employer Cap Increase to 1%**
- **Employer Cap Increase to Actuarial Rates**

Impact of Accelerated Employer Contributions Annual Increases of 0.8% Beginning in FY 2009

	State Group ^(a)		School Group		State and School Groups Combined		Local Group	
	Current Plan	Alternative Plan (0.80% Rate Increase)	Current Plan	Alternative Plan (0.80% Rate Increase)	Current Plan	Alternative Plan (0.80% Rate Increase)	Current Plan	Alternative Plan (0.80% Rate Increase)
Projected ARC Rate ^(b)	7.38%	7.38%	12.82%	12.18%	n/a	n/a	8.42%	8.32%
Projected ARC Date ^(b)	2010	2010	2019	2016	n/a	n/a	2014	2013
Estimated Employer Contributions								
Fiscal Year 2009 (in millions)	\$64.65	\$66.51	\$201.14	\$206.91	\$265.79	\$273.42	\$80.40	\$83.30
Fiscal Year 2010 (in millions)	\$72.06	\$75.87	\$223.88	\$235.71	\$295.94	\$311.58	\$92.70	\$98.80
Total Through 2033	\$4,031.56	\$3,903.27	\$12,321.13	\$11,934.04	\$16,352.69	\$15,837.31	\$4,402.50	\$4,335.10
Short-Term Additional Contributions								
Fiscal Year 2009 (in millions)	n/a	\$1.86	n/a	\$5.77	n/a	\$7.63	n/a	\$2.90
Fiscal Year 2010 (in millions)	n/a	\$3.81	n/a	\$11.83	n/a	\$15.64	n/a	\$6.10
Savings Versus Current Plan (in millions) (through 2033, estimated)	n/a	\$128.29	n/a	\$387.09	n/a	\$515.38	n/a	\$67.40

(a) Includes additional contributions for the KPERS School Group as provided in 2005 HB 2037.

(b) ARC = Actuarially-required contributions. ARC Rate and Date refer to the rate and date when KPERS statutory (actual) contributions will reach the actuarially-required levels.

Impact of Accelerated Employer Contributions Annual Increases of 1% Beginning in FY 2009

	<u>State Group ^(a)</u>		<u>School Group</u>		<u>State and School Groups Combined</u>		<u>Local Group</u>	
	<u>Current Plan</u>	<u>Alternative Plan (1.00% Rate Increase)</u>	<u>Current Plan</u>	<u>Alternative Plan (1.00% Rate Increase)</u>	<u>Current Plan</u>	<u>Alternative Plan (1.00% Rate Increase)</u>	<u>Current Plan</u>	<u>Alternative Plan (1.00% Rate Increase)</u>
Projected ARC Rate ^(b)	7.38%	7.38%	12.82%	11.74%	n/a	n/a	8.42%	8.21%
Projected ARC Date ^(b)	2010	2010	2019	2014	n/a	n/a	2014	2012
Estimated Employer Contributions								
Fiscal Year 2009 (in millions)	\$64.65	\$68.36	\$201.14	\$212.68	\$265.79	\$281.04	\$80.40	\$86.20
Fiscal Year 2010 (in millions)	\$72.06	\$79.68	\$223.88	\$247.54	\$295.94	\$327.22	\$92.70	\$104.80
Total Through 2033	\$4,031.56	\$3,839.48	\$12,321.13	\$11,741.58	\$16,352.69	\$15,581.06	\$4,402.50	\$4,298.80
Short-Term Additional Contributions								
Fiscal Year 2009 (in millions)	n/a	\$3.71	n/a	\$11.54	n/a	\$15.25	n/a	\$5.80
Fiscal Year 2010 (in millions)	n/a	\$7.62	n/a	\$23.66	n/a	\$31.28	n/a	\$12.10
Savings Versus Current Plan (in millions) (through 2033, estimated)	n/a	\$192.08	n/a	\$579.55	n/a	\$771.63	n/a	\$103.70

(a) Includes additional contributions for the KPERS School Group as provided in 2005 HB 2037.

(b) ARC = Actuarially-required contributions. ARC Rate and Date refer to the rate and date when KPERS statutory (actual) contributions will reach the actuarially-required levels.

Impact of Accelerated Employer Contributions Increasing to Actuarial Rates in FY 2009

	<u>State Group ^(a)</u>		<u>School Group</u>		<u>State and School Groups Combined</u>		<u>Local Group</u>	
	<u>Current Plan</u>	<u>Alternative Plan (ARC in FY 2009)</u>	<u>Current Plan</u>	<u>Alternative Plan (ARC in FY 2009)</u>	<u>Current Plan</u>	<u>Alternative Plan (ARC in FY 2009)</u>	<u>Current Plan</u>	<u>Alternative Plan (ARC in FY 2009)</u>
Projected ARC Rate^(b)	7.38%	7.45%	12.82%	10.86%	n/a	n/a	8.42%	7.92%
Projected ARC Date^(b)	2010	2009	2019	2009	n/a	n/a	2014	2009
Estimated Employer Contributions								
Fiscal Year 2009 (in millions)	\$64.65	\$100.73	\$201.14	\$313.40	\$265.79	\$414.13	\$80.40	\$115.50
Fiscal Year 2010 (in millions)	\$72.06	\$106.90	\$223.88	\$332.12	\$295.94	\$439.02	\$92.70	\$122.40
Total Through 2033	\$4,031.56	\$3,670.07	\$12,321.13	\$11,230.36	\$16,352.69	\$14,900.43	\$4,402.50	\$4,202.40
Short-Term Additional Contributions								
Fiscal Year 2009 (in millions)	n/a	\$36.08	n/a	\$112.26	n/a	\$148.34	n/a	\$35.10
Fiscal Year 2010 (in millions)	n/a	\$34.84	n/a	\$108.24	n/a	\$143.08	n/a	\$29.70
Savings Versus Current Plan (in millions) (through 2033, estimated)	n/a	\$361.49	n/a	\$1,090.77	n/a	\$1,452.26	n/a	\$200.10

(a) Includes additional contributions for the KPERS School Group as provided in 2005 HB 2037.

(b) ARC = Actuarially-required contributions. ARC Rate and Date refer to the rate and date when KPERS statutory (actual) contributions will reach the actuarially-required levels.

Issue Briefing

Kansas Public Employees Retirement System

Long-Term Retirement Funding

While key steps over the last few years have created positive results for KPERS financial health, the System's funding status needs to be closely monitored on an ongoing basis to secure funds for future benefits.

Plan Design & Benefits for Future Members

As the final component of KPERS' long-term funding plan, the Legislature's Joint Committee on Pensions, Investments and Benefits plans to introduce legislation modifying KPERS benefits for future members.

Deferred Compensation Plan Administration

The Legislature's Joint Committee on Pensions, Investments and Benefits plans to introduce legislation moving plan administration from the State's Department of Administration to KPERS in an effort to provide State and local employees with coordinated retirement education and an increased emphasis on personal savings for retirement.

Tax-Free Insurance Premium Deductions for Public Safety Officers (HB 2078)

Due to new federal legislation, retired public safety officers may be able to have certain insurance premiums deducted from their retirement benefits on a pre-tax basis.

2007 Legislative Amendments

KPERS' legislative agenda includes an earnings limit increase for disabled Tier II KP&F (HB 2076) and two technical amendments designed to improve benefits administration (HB 2077).

Senate Ways and Means
1-25-07
Attachment 3

Issue Brief

Kansas Public Employees Retirement System

Long-Term Retirement Funding

For the last several years, the Retirement System's highest priority has been developing a comprehensive plan to address KPERS' long-term funding shortfall. Funding improvements made during the last few years represent key steps toward improving the System's financial condition and securing funds for all future benefit payments.

Background

The 1993 Kansas Legislature improved KPERS benefits and adopted a 40-year payment plan for those enhancements. The funding plan was designed to allow the statutory employer contribution rates to increase gradually until reaching the levels actuarially required to fund the benefits. By the early 2000s, it became apparent the planned rate increases were insufficient to fund the benefits, creating a long-term funding shortfall.

For the last five years, the KPERS' Board of Trustees, staff and actuary have partnered with the Legislature's Joint Committee on Pensions, Investments and Benefits and the Governor to implement a comprehensive funding plan. Key steps taken to implement the plan include:

- Scheduling a series of employer contribution rate increases.
- Issuing pension obligation bonds.
- Making actuarial changes.
- Considering plan design changes for future employees.

Current Funding Status

According to the Retirement System's most recent actuarial valuation (dated December 31, 2005), the System remains in actuarial balance. The overall funded ratio was 69 percent, down 1 percent from 70 percent as of December 31, 2004. The funded ratio represents the ratio of actuarial assets to actuarial liabilities.

The System's unfunded actuarial liability (UAL) increased from \$4.74 billion as of December 31, 2004, to \$5.15 billion as of December 31, 2005. This UAL amount is the difference or gap between the actuarial value of assets and the actuarial liability for service already performed by public employees.

	UAL (millions)	Funded Ratio
Kansas Public Employees Retirement System (KPERS)		
• State Group	\$ 471	85%
• School Group	3,455	61%
• Local Group	869	67%
Kansas Police and Firemen's Retirement System (KP&F)	341	80%
Kansas Retirement System for Judges	17	85%
Retirement System Totals	\$ 5,153	69%

Funding Outlook & Projections

Although the employer rate increases and issuance of pension obligation bonds have improved KPERS' funding projections, significant challenges remain.

The System's funding will remain leveraged for the next 10-15 years until employer contributions reach the actuarially-required contribution rates. During this period, the UAL will continue to increase.

- State Group ARC = 7.38% in 2010
- School Group ARC = 12.82% in 2019
- Local Group ARC = 8.42% in 2015

Importance of Investment Returns – In addition, any future investment returns below the System's assumed investment target of 8 percent would negatively impact funding projections.

State's Funding Commitment – As employer rates increase and approach the actuarially-required rates, the State's employer contributions for the State and School Groups are expected to increase by \$30 to \$40 million annually. During this same period, annual debt service payments of \$36 million for the pension obligation bonds will be paid by the State General Fund.



State of Kansas Funding Commitments			
	State & School Employer Contributions	POB Debt Service Payments	Total State Payments
2008	\$237 million	\$26 million	\$263 million
2009	\$266 million	\$36 million	\$302 million
2010	\$296 million	\$36 million	\$332 million
2011	\$328 million	\$36 million	\$364 million
2012	\$361 million	\$36 million	\$397 million

In fiscal year 2006, the State of Kansas contributed approximately \$190 million for KPERS State and School employer contributions plus \$10 million for the POB debt service payments. By 2012, this total will double, reaching approximately \$397 million.

In the coming years, KPERS' funding status needs to be closely monitored to ensure continued progress toward reaching the actuarially-required levels. Additional commitments or accelerated rate increases may be necessary if funding projections deteriorate.

Funding & Member Benefits

As the final component of KPERS' long-term funding plan, the Joint Committee on Pensions, Investments and Benefits plans to introduce legislation modifying KPERS benefits for future members only. While these plan design changes will not significantly impact projected costs for the current plan or timeframes for reaching the actuarially-required rates, the new plan design would significantly lower liabilities and employer contributions beginning in approximately 20 years.

All KPERS retirement benefits for current retirees and actively employed members are safe and guaranteed by the State of Kansas. Neither the System's funded status nor the unfunded actuarial liability alter the State's obligation to pay promised benefits to current members. The Retirement System's Board of Trustees and staff remain committed to working on behalf of our members to advocate policies that provide for the health and stability of the Retirement System.

Issue Brief

Kansas Public Employees Retirement System

Plan Design & Benefits for Future Members

According to the most recent actuarial valuation, KPERS' overall funded ratio was 69 percent with an unfunded actuarial liability of \$5.15 billion as of December 31, 2005. For the last five years, KPERS has worked closely with the Legislature and the Governor's Office to address this funding shortfall and implement a comprehensive long-term funding plan. Key steps have been taken as part of this plan with positive results, including scheduling a series of employer contribution rate increases, issuing pension obligation bonds, and making actuarial changes. Consideration of plan design modifications for future members represents the remaining component of the long-term funding plan.

In addition to funding considerations, demographic shifts also set the stage for plan design changes. Generally, KPERS members are living longer in retirement. This means they will receive benefits for a longer period of time. In addition, as the "Baby Boomers" begin to retire, a larger proportion of KPERS members will move into retirement and collect benefits.

Plan Design Features

Following in-depth examinations of funding and demographic projections, cost estimates and plan design options during the 2006 interim, the Joint Committee on Pensions, Investments and Benefits plans to introduce legislation during the 2007 session to implement an alternative retirement plan for future employees.

The Joint Committee's recommended plan design provides the following benefits for KPERS members **first employed on or after July 1, 2009**:

- First day membership in KPERS.
- Five-year vesting.
- Normal retirement at age 65 with five years of service, or at age 60 with 30 years of service.
- Early retirement at age 55 with 10 years of service.
- Automatic annual 2 percent cost-of-living adjustments beginning at age 65.
- Employee contribution rate of 6 percent.

Along with plan design modifications for future employees, the Joint Committee recommends two enhancements to KPERS benefits for **current employees**:

1. First-day membership for those hired between July 1, 2008, and June 30, 2009.
2. Five-year vesting effective July 1, 2009.

KPERS Position on Joint Committee Plan Design. Recognizing the tenuous nature of KPERS' funding coupled with demographic projections, the KPERS Board of Trustees supports the Joint Committee's proposed plan design for future members.

See page 2 for a brief comparison of the primary features of the current KPERS plan and the Joint Committee's proposed plan for future members.

Plan Design for Future Employees

Except for the first day membership and five-year vesting benefit improvements, the Joint Committee's plan design modifications are intended to apply only to individuals first employed on or after July 1, 2009.

Benefits for members currently employed by KPERS-participating employers are safe and guaranteed by the State of Kansas. Anyone working now will receive the benefits they have been promised.

Plan Design Cost Savings

Through the end of KPERS' current amortization period in 2033, the Joint Committee's plan design is projected to reduce the State's costs for State and school members by approximately \$2.6 billion and local employer costs by about \$1 billion.

Plan Design Timeline

Jan – May 2007	Legislation introduced/considered
June – Dec 2007	IRS compliance review/approval
Jan – May 2008	IRS compliance legislative adjustments
June 2008 – June 2009	Implement information system changes, employer and member communication initiatives, etc.
July 1, 2009	Effective date of new plan

Current

KPERS Current Plan
(employed before July 1, 2009)

Proposed

**Legislature's Joint Committee
on Pensions, Investments
and Benefits' Proposed Plan^(a)**
(employed on or after July 1, 2009)

First Day Membership

- **State and local** employees must be employed by a participating employer for one year before becoming KPERS members.
- **School** employees become KPERS members on first day of employment.

All employees become KPERS members on first day of employment.

Vesting Period

Years of service required to guarantee eligibility for retirement benefits.

10 years

5 years

Normal Retirement Eligibility

Age and service required to receive unreduced retirement benefits.

- Age 65
- Age 62 with 10 years of service
- 85 Point Rule (age plus years of service equal at least 85)

- Age 65 with 5 years of service
- Age 60 with 30 years of service

Early Retirement Eligibility & Subsidies

Age and service required to receive reduced retirement benefits.

- Age 55 with 10 years of service
- All early retirement reductions subsidized meaning reductions are less than full actuarial reductions.

- Age 55 with 10 years of service
- Early retirement reductions subsidized for those with 30 or more years of service.

Defined Benefit Multiplier

1.75%

1.75%

Final Average Salary (FAS)

Definition used in retirement benefit calculation.

Average of three highest years

Average of five highest years

Retirement Benefit Formula

Benefits payable for lifetime.

1.75% x FAS x Years of Service

1.75% x FAS x Years of Service

Cost-of-Living Adjustments (COLAs)

None

2% annual automatic COLA at age 65

Employee Contributions

4%

6%

Employer Contributions

Based on annual actuarial valuation subject to 0.6% statutory cap on annual rate increases.

Based on annual actuarial valuation subject to 0.6% statutory cap on annual rate increases.
• Minimum employer rate of 6%.

^(a) The modifications proposed by the Joint Committee apply to KPERS members only. They do not apply to members of the Kansas Police and Firemen's Retirement System or the Retirement System for Judges.

Issue Brief

Kansas Public Employees Retirement System

Deferred Compensation Plan Administration

The Kansas Deferred Compensation Plan is a voluntary, tax-deferred retirement savings program for state employees. In addition, many local public employers offer the plan to their employees. The Plan is administered by the Department of Administration and the Deferred Compensation Oversight Committee.

Following a 2006 study of the Plan, the Secretary of Administration and the KPERS Board of Trustees recommended transferring Plan administration to KPERS. The Joint Committee on Pensions, Investments and Benefits approved the introduction of a bill to implement this recommendation. KPERS' administration of the Plan would provide State and local employees with coordinated retirement education and planning information and facilitate an increased emphasis on personal savings for retirement.

Plan Overview

Established in 1980 pursuant to Section 457 of the Internal Revenue Code and K.S.A. 75-5521 *et seq.*, the Plan has more than 26,000 participants with total assets of approximately \$650 million.

- ING is the Plan's service provider, providing recordkeeping services and offering a range of investment options.
- Segal and Company acts as the Plan's investment consultant.

Deferred Compensation Plan Highlights*

Assets	\$650 million	• State	\$436 million
		• Local	\$214 million
Total Participants	26,100	• State	15,250
		• Local	10,850
Active Participants	15,500	• State	9,000
		• Local	6,500
Employers	240	• State of Kansas	
		• Local	239

*as of 9/30/06

Recommended Transfer to KPERS

The Joint Committee on Pensions, Investments and Benefits' bill transfers administration of the Deferred Compensation Plan to KPERS effective January 1, 2008. Key reasons for the transfer include:

- KPERS Board of Trustees and staff have expertise and resources in investments, retirement benefit administration, and related fiduciary issues that could improve Plan administration and investment options.
- KPERS and the Plan have significant overlap of participants, both employers and employees, providing additional opportunities for expanding outreach and services.
- Combined resources could maximize and integrate retirement education and planning.
- Joint communication and education could increase emphasis on the importance of personal savings for retirement.

KPERS Administration of the Plan. The KPERS Board of Trustees would oversee administration of the Plan including managing plan assets, selecting and monitoring investment options, and selecting and evaluating service providers. Daily operations of the Plan would be managed by a Deferred Compensation Plan Manager in conjunction with the Plan's service provider. KPERS would continue to use a service provider for participant account recordkeeping and direct services such as enrollments, phone inquiries and investment transactions.

Plan Administration Expenditures. Under the Joint Committee proposal, administrative costs of the Plan would continue to be self funded by participant fees under revenue-sharing arrangements negotiated with the service provider. Anticipated expenditures for Plan administration transferring to KPERS on January 1, 2008, are:

- FY 2008: \$62,500 - \$75,000 (six months)
- FY 2009: \$125,000 - \$150,000 (full year)

KPERS' fiscal year 2008 budget request would need to be amended to provide spending authority for Plan expenditures. All direct and indirect expenses of the Plan would be paid using a cost allocation method with separate accounting of the Retirement System's and the Plan's assets and expenses.

Issue Brief

Kansas Public Employees Retirement System

Tax-Free Insurance Premium Deductions for Public Safety Officers

The Pension Protection Act of 2006, signed into law by the President on August 17, 2006, is one of the most significant pieces of federal pension legislation in the last 30 years. The Act has widespread application to all types of retirement plans effective January 1, 2007. One of the Act's provisions allows for federal tax-free distributions from a pension plan of up to \$3,000 per year to pay premiums on health or long-term care insurance for retired public safety officers.

Impact on Qualified Retirees

As defined in the Act, qualified "public safety officers" include all retired members of the Kansas Police and Firemen's Retirement System as well as those retired KPERS members who performed law enforcement duties, including corrections, probation, juvenile justice, and parole officers, firefighters and emergency medical technicians.

To receive the tax-free distribution, retirees must elect to have the insurance premiums deducted from their retirement benefit and paid directly from the pension plan to the insurance provider. For a retiree in the 15 percent federal tax bracket, this will result in estimated tax savings of \$450 annually.

Small Number of Retirees Can Begin Deductions Now

Currently, KPERS withholds health insurance premiums from retirement benefit payments for a group of retired state employees that includes approximately 700 individuals who may qualify as public safety officers. The deducted premiums are sent monthly to the Health Policy Authority, which transmits the payments to state health insurance providers. All enrollment and payment arrangements are handled by the Health Policy Authority and its vendor, Conexis. Early in calendar year 2007, KPERS plans to allow eligible public safety officers to take advantage of the tax-free distributions. Implementing the required changes for this limited group does not require enabling legislation and is expected to have minimal impact on KPERS' work-load and information systems.

Legislation Needed for Widespread Availability (House Bill 2078)

For an estimated 5,000 to 10,000 retired KP&F and KPERS public safety officers who do not participate in the state health insurance plan, state authorizing legislation is needed to implement the tax-free premium distributions.

Fiscal Impact. To fully implement HB 2078, KPERS will need to make significant changes to the benefit information system, new enrollment and payment processing procedures, and communication outreach to these retirees. The estimated implementation costs include a one-time cost of \$442,000 for extensive information system changes and annual costs of \$35,000 for salary and benefits for one additional full-time benefits processing position.

If HB 2078 is passed during the 2007 session, KPERS' fiscal year 2008 budget request would need to be amended to provide this funding. Implementation of tax-free premium deductions for this group could be completed by January 1, 2008.

Who Can Participate?

Public Safety Officers include:

All retired members of KP&F

Retired KPERS members with law enforcement duties

- corrections
- probation
- juvenile justice
- parole officers
- firefighters
- emergency medical technicians

Issue Brief

Kansas Public Employees Retirement System

2007 Legislative Amendments

KPERS' 2007 legislative agenda includes one provision updating the earnings limitation for certain disabled members of the Kansas Police and Firemen's Retirement System and two technical amendments designed to clarify current statutes and improve benefits administration.

Earnings Limit Increase for Disabled Tier II KP&F (House Bill 2076)

KP&F members hired on or after July 1, 1989, are considered Tier II members and may qualify for disability benefits if they are disabled from performing the duties of police officers and firefighters. Tier II disability benefit recipients may work for any employer other than KP&F-participating employers and continue to qualify for disability benefits. When employed, their disability benefits are reduced \$1 for every \$2 of earned income over \$10,000 in a calendar year.

The Issue: The Tier II earnings limit has not increased since 1989, resulting in a significant loss of purchasing power. The \$10,000 limit established at that time represents approximately \$16,000 today.

Proposed Change: The Joint Committee on Pensions, Investments and Benefits has introduced House Bill 2076 which increases the annual earnings limit to \$20,000 beginning in calendar year 2007.

Fiscal Impact: Approximately 55 of the 200 Tier II disability benefit recipients reached the \$10,000 limit in calendar year 2005. Increasing the limit to \$20,000 would result in additional KP&F Tier II disability benefit payments of approximately \$160,000 each year.

Technical Amendments (House Bill 2077)

The Retirement System has proposed two "technical" amendments relating to improper withdrawals and portability of service credits between systems.

Improper Withdrawals

Retirement System members must wait 30 days after leaving employment to withdraw their contributions. If a member goes to work for another KPERS employer during that 30-day period,

and the Retirement System is not notified, an "improper" withdrawal can occur. When KPERS becomes aware of an improper withdrawal, statute requires the System to collect the withdrawn amount plus interest.

The Issue: Often, members are unable to return their withdrawn amount because they have already spent the funds or rolled them to another retirement account. In such cases, KPERS must wait and collect the amount either from life insurance proceeds upon the member's death or from retirement benefit payments. This process is difficult to administer because of the lengthy period between withdrawal and collection.

Proposed Change: HB 2077 modifies K.S.A. 74-4924(2) so that members forfeit service credit related to improper withdrawals and keep their funds. Members would have the option of reinvesting their withdrawn funds at any time by purchasing the withdrawn service.

Fiscal Impact: KPERS handles about ten improper withdrawals each year. No significant fiscal impact.

Service Credit Between Systems

This change would alter the way service credit is applied between systems for a select group of members. During the last five years, two members have retired under KPERS using service from their inactive KP&F accounts. Because the members used the KP&F service to vest in KPERS, they are not allowed to withdraw their KP&F account balance, even though they will never be eligible to retire under KP&F.

The Issue: Under current law, the KP&F accounts are "frozen," meaning the members cannot earn more KP&F service credit. The accounts continue to earn interest, but can only be paid out when the members die.

Proposed Change: HB 2077 requires members retiring under these circumstances to withdraw funds in such accounts during the month immediately following retirement. This would allow members to access their funds and relieve the System from maintaining these accounts until the member's death.

Fiscal Impact: No significant fiscal impact.

Report of the 2010 Commission to the 2007 Kansas Legislature

CHAIRPERSON: Ms. Rochelle Chronister

VICE-CHAIRPERSON: Dr. Ray Daniels

OTHER MEMBERS: Senator Jean Schodorf; and Representatives Kathe Decker and Sue Storm

NON-LEGISLATIVE MEMBERS: Carolyn Campbell, Stephen Iliff, Dennis Jones, Barbara Mackey, Attorney General Phill Kline (or designee), Barb Hinton, Post Auditor (or designee)

STUDY TOPICS

The Commission has authority to:

- Conduct ongoing monitoring of the school district finance act;
- Evaluate the school district finance act and determine if there is a fair and equitable relationship between the costs of the weighted components and assigned weightings;
- Determine if additional school district operations should be weighted;
- Review the amount of base state aid per pupil and determine if the amount should be adjusted;
- Evaluate the system of financial support, reform and restructuring of public education in Kansas and in other states to ensure that the Kansas system is efficient and effective;
- Conduct hearings and receive and consider suggestions for improvements in the educational system from teachers, parents, the Kansas Department of Education, the State Board of Education, other governmental officers and agencies and the general public;
- Make recommendations it deems is necessary to guide the Legislature to fulfill goals established by the Legislature in meeting its constitutional duties.

LCC Referred Topics:

- **School Transportation Weighting Formula** - Study the current school transportation weighting formula. Review the recent recommendations of the Legislative Division of Post Audit transportation weighting analysis. Consider child transportation safety issues, especially if the current 2.5 miles' mileage reimbursement is adequate.

December 2006

Senate Ways and Means
1-25-07
Attachment 4

2010 Commission

2006 REPORT

CONCLUSIONS AND RECOMMENDATIONS

- The 2010 Commission recognizes that many successful schools improve students' performance through all-day kindergarten and programming for at-risk four year olds. The Commission recommends that all-day kindergarten expand to include all children eligible to attend. The Commission also recommends that flexibility in school funding continue to allow for the growth of at-risk programming for four year olds. In addition, the Commission recommends that the second level of funding for at-risk students, the high density formula, be based on the prior year's data and implemented using a linear transition calculation.
- The 2010 Commission observed a variety of innovative programs used in schools across the state to improve students' performance. Two showing great promise are professional learning communities and schools within schools. The Commission recommends that these programs, and others like them, continue to be researched and used in schools across the state.
- The Commission acknowledges that much debate and review has taken place regarding how best to identify students at risk of failure. To date, the best method to distribute funding to school districts for at-risk student programming is based upon the numbers of students eligible for the federal free lunch program in each district. As funding for at-risk services increases, the number of students who qualify for the free-lunch program becomes an increasingly important factor in the state's school finance formula. In light of a recent performance audit on this topic, the Commission recommends that the Legislature review this issue to ensure that at-risk funding is provided to those students for whom it was intended. The Commission does not support any cuts in funding at-risk programming.
- The 2010 Commission heard many concerns about English Language Learners (ELL). Issues included problems surrounding the proficiency of ELL students on state assessment tests, lack of teachers with ELL teaching endorsements, and the potential lack of adequate funding for ELL programs because of problems with the school finance bilingual weighting formula. The Commission requests the Legislature send a letter to the U.S. Department of Education requesting that more than one year be allowed between the time an ELL student enters a bilingual program and the time the student must take an assessment test. The Commission also recommends that teacher education in the state be reviewed and a consideration be made to require all teachers receive an ELL endorsement to their teaching certificate. The Commission also recommends that the Legislature continue to review best practices in training ELL students. And, finally, the Commission recommends that the bilingual weighting in the school finance formula be changed from a full-time equivalent weighting with contact hours to headcount and adjusted to 0.2 from the present 0.395.
- A second theme heard by the Commission in its tours of the state was the importance of staff. Several programs shown successful in attracting, retaining, and developing staff include enhancement of leadership academies, especially for school principals, mentoring new teachers, and providing improved and increased professional development opportunities for teachers. The Commission recommends expansion of these programs. The Commission recommends that \$500,000 of annual and on-going funding be approved

for leadership academies, that an additional \$1.0 million be added to the state's Mentor Teacher Program, and the Professional Development (In-service Education) Aid Fund be increased to \$4.0 million.

- The Commission believes that informing the public of the progress of their schools is vital to ensure confidence in our system of public education. To this end, the Commission recommends that every school make test scores from No Child Left Behind testing available to the local public and all students' parents. In addition, the Commission applauds the Department's work in development of the state database project which will include student and teacher information and allow more efficient tracking of student progress.

Proposed Legislation: None.

BACKGROUND

The 2005 Legislature created the 2010 Commission, which is composed of eleven members, nine voting and two serving as ex officio nonvoting members. The statutory duties of the Commission include:

- Monitoring the implementation and operation of the School District Finance and Quality Performance Act and other provisions of law relating to school finance and the quality performance accreditation system;
- Evaluating the School District Finance and Quality Performance Act and determine if there is a fair and equitable relationship between the costs of the weighted components and assigned weightings;
- Determining if existing weightings should be adjusted;
- Determining if additional school district operations should be weighted;
- Reviewing the amount of base state aid per pupil and determine if the amount should be adjusted;
- Evaluating the reform and restructuring components of the Act and assess the impact thereof;
- Evaluating the system of financial support, reform and restructuring of public education in Kansas and in other states to ensure that the Kansas system is efficient and effective;
- Conducting hearings and receiving and considering suggestions from teachers, parents, the Department of Education, the State Board of Education, other governmental officers and agencies and the general public concerning suggested improvements in the educational system and the financing thereof;
- Making any recommendations it deems is necessary to guide the Legislature to fulfill goals established by the Legislature in meeting its constitutional duties of the Legislature to: provide for intellectual, educational, vocational and scientific improvement in public schools and make suitable provision for the finance of the educational interest of the state;
- Examining the availability of revenues to ensure adequate funding of elementary and secondary education in the state;
- Examining voluntary activities, including extracurricular activities, which affect educational costs; and
- Monitoring and evaluating associations and organizations that promote or regulate voluntary or extracurricular activities including, but not limited to, the Kansas State High School Activities Association.

- Providing direction to the Legislative Division of Post Audit school finance audit team and receiving performance audits conducted by the team.

The Commission will sunset on December 31, 2010.

The Commission is to submit an annual report to the Legislature on the work of the Commission.

COMMITTEE ACTIVITIES

School District Consolidation

Material from the Kansas Association of School Boards entitled Student Enrollment and the Demographics of Change described a peak in Kansas school enrollment in school year 1973-74. The decline since then has been constant because children born to “baby boomers” have moved through the school system. Nevertheless, almost 30 percent of Kansas counties have six or fewer residents per square mile and more than half of the counties in Kansas ended the century with fewer residents than at the beginning.

Representatives from rural school districts, education cooperatives, and education service centers presented testimony on this topic.

The USD 104 White Rock Superintendent Bill Walker told the Commission that his district and USD 278 Mankato were consolidating. Mr. Walker said both districts have serviceable bus fleets, so no new buses will be purchased. He estimated that travel time for some students will increase by 15 minutes. Teachers will be shared and will travel to several facilities in two different towns.

Mark Wolters, Superintendent of USD 105 Rawlins County provided a checklist of consolidation issues to consider. They included:

- Reviewing matters relating to insurance.

- Completing personnel and retirement forms transferring staff to the new district.
- Notifying vendors of the name change.
- Changing letterhead, purchase orders, and all forms.

Conferees told the Commission that money savings from consolidation occur when buildings are closed and staff reduced. Consolidations have occurred to enhance educational opportunities, stabilize and create longer-term viability for a combined district.

Special Education

Conferees presented information on current challenges of special education. Judy Denton, Director of the Northeast Kansas Education Service Center, discussed concerns of the conferees which included the following:

- Fewer individuals are being licensed in special education, at the same time the number of special education students is increasing.
- More special education services are being provided in regular classrooms, which can be more expensive than “pull-out” services.
- The cost of special education materials has increased because of the need to provide “specially-designed instruction.”
- In some cases, special education students are transported to special classroom in other districts, incurring additional cost.
- The use of paraprofessionals has increased.

Another issue regarding special education funding is the strong possibility that federal Medicaid funds paid to school districts for services to special education

students will be dramatically reduced in future years. The amount of reduction could be as much as \$25 million in FY2008. The Legislative Educational Planning Committee (LEPC) held hearings on this issue during the 2006 interim session. The LEPC 2006 Report provides detailed information on this topic.

Vocational Education

Conferees from USD 336 Holton, USD 259 Wichita, and USD 373 Newton described the importance of vocational education. They told the Commission that many vocational education programs, such as trade and industrial programs, are more costly than traditional academic programs. This fact should be kept in mind when vocational education weighting is discussed related to the school finance formula. All conferees indicated they work closely with the business community to provide workers needed to promote a community's economic development.

In addition to conducting activities during the 2006 Interim relating to its statutory charges, the Commission visited school districts across the State. The following USDs were visited:

- USD 500 Kansas City;
- USD 512 Shawnee Mission;
- USD 233 Olathe;
- USD 215 Lakin;
- USD 259 Wichita;
- USD 499 Galena; and
- USD 508 Baxter Springs.
- USD 250 Pittsburg

In addition while in Lakin, the Commission received information and testimony from superintendents of the following districts:

- USD 457 Garden City;
- USD 363 Holcomb;
- USD 216 Deerfield;
- USD 214 Ulysses;
- USD 477 Ingalls; and
- USD 494 Syracuse.

Other education entities visited or providing testimony included:

- Southwest Plains Regional Service Center;
- High Plains Educational Cooperative; and
- Southeast Kansas Education Service Center (Greenbush).

While schools visited by the 2010 Commission provided valuable insight into a number of challenges facing all Kansas schools, there were several common challenges voiced by school officials across the state, including the importance of retaining and developing staff and increasing numbers of special education students and English Language Learners.

Retaining and developing staff is a major issue in many districts, especially in light of increasing staff retirements. Commission members clearly saw the benefits of energetic and committed teachers and administrators at schools visited during the interim session.

The number of students with special needs are increasing in Kansas schools, including special education students and English Language Learners. School districts face increasing challenges meeting the needs of these students, not the least of which regards students' proficiency on No Child Left Behind-required assessment tests. This became very clear to Commission members visiting with teachers and administrators during the districts' tour.

The 2010 Commission saw many impressive projects and programs while traveling across the state visiting Kansas school districts. A few of those particularly noteworthy items are mentioned in the following paragraphs.

The Southeast Kansas Education Service Center (Greenbush) highlighted many innovative programs for 2010 Commission members review. One particularly impressive program was Virtual Prescriptive

Learning (VPL) described by Sharon Hoch, VPL Director at Greenbush. VPL creates individualized learning plans for a student. Schools used this program to diagnose a student's educational gap benchmarked against state standards, create individualized assignments designed to fill gaps, and continually monitor progress. Many schools have found this an efficient way to help students gain proficiency and regain credit.

2010 Commission members viewed vocational education programming as well. Baxter Springs High School showed Commission members a product of its vocational building trades program. Baxter Springs high school students gained experience in and were exposed to all components of residential construction while participating in the construction of a house.

2010 Commission members saw a particularly noteworthy school security system at Meadowlark Elementary School in Pittsburg. Anyone entering this elementary school were required to pass through an entry system, gaining access via the school office. This seemed to provide a desirable level of security for students and school personnel.

All items considered by the Commission during the 2006 Interim are reviewed in the following material, along with Commission conclusions, recommendations, and special notes.

CONCLUSIONS AND RECOMMENDATIONS

The Commission's conclusions and recommendations are organized into three major categories of "Early Education and Educational Reform, Improving the Quality of Staff, and Improved Information." In addition, a section of "Special Notes" is included.

Early Education and Educational Reform Conclusion

As the 2010 Commission traveled across

the state talking with school officials in rural and urban schools and visiting schools having high state assessment scores and schools trying a variety of programs to improve the performance of their students, common themes among many successful districts included the following items:

- All-Day Kindergarten; and
- Programming for At-Risk Four Year Olds

All-Day Kindergarten

Approximately 64 percent of Kansas kindergartners in the 2005-06 school year were enrolled in all-day kindergarten programs. Kansas Department of Education staff indicated that more school districts likely would offer all-day kindergarten if classroom facilities were available.

Research has shown that full-day kindergarten, if appropriate scheduling and curricula are used, can boost academic performance and bring social benefits. This is particularly true when considering children from educationally disadvantaged backgrounds. Children with full-day kindergarten experience score higher on standardized tests and have fewer grade retentions and higher attendance rates. There is also clear evidence that participation in full-day kindergarten has a significant impact on classroom behavior.

School district officials recognized the importance of all-day kindergarten to the extent that it has been funded even when no specific state funding was available for it. (Beginning with the current school year, school districts could use their state-provided at-risk funds to pay for all-day kindergarten.)

Four-Year Old At-Risk Programs

Children qualify for four-year old at-risk services when a child meets one of the following criteria:

- Lives in poverty (qualifies for the federal free lunch program);

- Member of a single-parent family;
- Receives a Department of Social and Rehabilitation Services referral;
- Has teen parents;
- Has either parent lacking a high school diploma or GED;
- Qualifies for migrant status;
- Has limited English proficiency; and
- Is considered developmentally- or academically-delayed.

In the spring of 2006, the Kansas Department of Education evaluated the state's four-year old at-risk program at the request of the Legislature. In this evaluation's sample of over 400 students, children served by a variety of at-risk programs showed growth in skills across the school year. In addition, tests revealed that those children who came into programs with lower level skills overall had larger change scores than those who came in with greater skill.

The 2006 Legislature allowed school districts flexibility in using at-risk funding for needed programs such as all-day kindergarten and expansion of preschool and four-year old at-risk programming. The Commission commends this effort and is fully supportive of services now provided by current law to all four-year old at risk students in the state.

Innovations in Education

While touring the state's school districts, the Commission became aware of innovations in education designed to improve student outcomes as well as a variety of programs working to improve educational opportunities for the community of diverse students in the state's schools. Those innovations and programs included:

- Professional Learning Communities;

- Schools Within Schools; and
- At-Risk and English Language Learner Programs.

Professional Learning Communities

The concept of professional learning communities is based on a premise from the business sector regarding the capacity of organizations to learn. Modified to fit the world of education, this concept involves the development of collaborative work cultures for teachers. The essential characteristics of professional learning communities include:

- Shared values and norms are developed with regard to views on children's ability to learn, school priorities, and the roles of teachers, parents, and administrators.
- The focus is on learning instead of on teaching.
- Teachers have continuing and extensive conversations about curriculum, instruction, and student development.
- Teaching becomes public and collaborative rather than "private".

The 2010 Commission saw examples of professional learning communities working in a variety of ways in several of the school districts visited. Examples include teams of teachers and other school professionals, e.g. the school counselor, school social worker, and administrators meeting on a regular basis discussing a student's progress and developing plans, methods, and tools for helping students achieve their greatest potential. The key in this involves a **team** working with **individual** students. Implicit in this concept is the idea that the professional learning community will have ample time to plan and work with each student. In some schools visited, an "early out" program was used which allowed students to leave school early giving teachers more planning time. Other schools are able

to arrange teacher planning time so that teachers can do planning during the school day.

A review of studies done on the impact of professional learning communities on student achievement found that student learning improved. In some studies, achievement scores for low and underachieving students rose dramatically over a three-year period.

The development of professional learning communities also prompts continuous teacher learning as teachers search for educational efforts that will help them accomplish the goals of the "community."

School Within a School

The school within a school is one model used in some districts to help make classroom instruction more personal, motivate students to excel, and develop relationships between school staff, students, and their parents.

One example of the school within a school is grouping students in a small learning community or group so that the group can stay together for several grades. Another example is students having the same teacher for several consecutive grades.

Several studies show that low student-teacher ratios prove very successful in providing individual attention to each child whether in the professional learning community setting or in small class sizes. According to the U.S. Department of Education, a four-year longitudinal study of smaller class sizes in Tennessee concluded that smaller classes yield educationally and statistically significant gains in student achievement.

It is likely that additional funding provided by the Legislature in its recently enacted three-year plan (2006 SB549) could be used to reduce class sizes.

At-Risk Education and English Language Learners

At-Risk Education

The Commission supports programs that address the needs of at-risk students who are not attaining proficiency. Examples are extended school days, summer school, tutorials, and programs that involve parents in helping their children improve.

The Commission acknowledges that much debate and review has taken place over the years regarding how best to identify students at-risk of failure. To date, the best method to distribute funding to school districts for at-risk student programming is based upon the numbers of students eligible for the federal free lunch program in each district.

As funding for at-risk services increases, the number of students who qualify for the free-lunch program has become an increasingly important factor in the state's school finance formula. A performance audit entitled K-12 Education: Reviewing Free-Lunch Student Counts Used as the Basis for At-Risk Funding, Part I by the Legislative Division of Post Audit found that about 17 percent of free-lunch students in its statewide, random sample were ineligible for free lunches. The random sample was of 500 students out of nearly 135,000 free-lunch students in school year 2005-06. The Division indicated this was a statistically-valid random sample.

English Language Learners

In extensive travels and discussions with school officials across the state, it became apparent that English Language Learners (students for whom English was not their native language) were becoming a growing concern. Issues included problems surrounding the proficiency of ELL students on state assessment tests, lack of teachers with ELL teaching endorsements, and the potential lack of adequate funding for ELL programs because of problems with the school finance bilingual weighting formula.

Recommendations arising from these conclusions begin below.

Committee Recommendations:

- The Commission supports the growth in all-day kindergarten until it is available in every Kansas public school. The Kansas Department of Education estimated it will cost approximately \$74 million to provide all-day kindergarten statewide in the next school year. During the 2006 Session, the Legislature gave school districts the flexibility to use at-risk funding to be used to provide all-day kindergarten. The Commission recommends that this flexibility be continued.
- In support of the recommendations made by the At-Risk Education Council, the Commission recommends that the second level of funding for at-risk students, which is the high density formula, be based on the prior year's data and implemented using a linear transition calculation.
- *The Commission recognizes that the needs of at-risk students have not changed over time and, in fact, are increasing.*
- The Commission recommends that the Legislature review the Legislative Post Audit study entitled *K-12 Education: Reviewing Free-Lunch Student Counts Used as the Basis for At-Risk Funding, Part I*, concerning free-lunch students to ensure at-risk funding is provided to those students for which it was intended. This performance audit noted that at eight alternative schools reviewed by the auditors, nearly forty percent of free-lunch students reviewed were over the age of 20. In addition, auditors found that school districts receive full at-risk funding for part-time students, primarily kindergarten students. The performance audit noted that changing this count to a full-time equivalent count would reduce the amount of at-risk funding the state pays to school districts. Addressing

these two issues, Legislative Post Audit recommended that the House Select Committee on School Finance and the Senate Education Committee should hear testimony regarding instituting an age limit for free-lunch students for the purpose of at-risk funding and changing the at-risk funding count from a headcount to an FTE count.

While the Commission supports a Legislative review of this recommendation, the Commission does not recommend any cuts in funding at-risk programming. The Commission strongly recommends that the at-risk weighting included in 2006 SB 549 be maintained for the full three years of the law.

In its performance audit *K-12 Education: Reviewing Free-Lunch Student Counts Used as the Basis for At-Risk Funding, Part I*, Legislative Post Audit did not address whether at-risk funding should be removed from the school finance formula based on the number of students estimated ineligible for free lunches.

The 2010 Commission recommends that the \$19 million be retained and the weighting be adjusted for both the free lunch and high density weighting proportionately.

- Regarding English Language Learners, the Commission makes a four-pronged recommendation.
 - Request that the Legislature send a letter to the U.S. Department of Education requesting that more than one year be allowed between the time an English Language Learner student enters a bilingual program and the time the student must take an assessment test.
 - Request the Kansas Board of Regents review higher education instruction for students studying to become teachers. All students completing instruction to become public school teachers should be instructed in

teaching English Language Learners, and furthermore, should be required to gain an ELL endorsement to their teaching certification.

- Recommend the Legislature continue to look at best practices in educating ELL students.
- Because the current bilingual weighting probably under reports the number of children who need English language assistance, the Commission recommends that the weighting be changed from a full-time equivalent weighting with contact hours to headcount and adjusted to 0.2 from the present 0.395 weight.

Improving the Quality of Staff Conclusion

A second theme heard by the Commission in its tours of the state was the importance of staff. Specific items relevant to staff include the following:

- Leadership Academies;
- Mentoring New Teachers;
- Professional Development of Current Teachers; and
- Attracting, Developing, and Retaining Teachers.

Leadership Academies

The Commission recognizes the efforts of the State Department of Education in providing small grants to school districts and service centers to fund a variety of leadership workshops and trainings. This type of funding is done on a statewide basis prior to this time.

In its tour of school districts, the Commission formed the impression that the skills, knowledge, commitment, and dedication of administrators to educational improvement is vital to improving student proficiency. To enhance the quality of

leadership, the Commission supports statewide continued and improved leadership programs.

A July 2006 Legislative Post Audit report entitled *K-12 Education: Reviewing Issues Related to Developing and Retaining Teachers and School Principals* reviewed literature on attracting and retaining school principals. The report described three “best practices” for principal professional development:

- Provide practical training, such as training on budgets, case studies, and problem solving;
- Include opportunities for peer support and leadership coaching, such as support groups and training with peer principals; and
- Offer development through a variety of providers, such as outside agencies, university personnel, or national conferences.

The Commission believes that these academies are an efficient and practical way to provide good practices for present and future principals.

Mentoring New Teachers

The Commission notes input it received in the field from teachers who stressed the importance of mentoring. The Commission also notes information provided by the State Department of Education to the effect that the Teacher Mentor Program, in the years it was funded, resulted in attrition rates for new teachers of approximately ten percent, according to information from the Kansas Department of Education.

The above-referenced performance audit report on developing and retaining teachers cited mentoring programs as one of the best strategies described in educational literature to retain new teachers. Through mentoring programs, such as the one in Kansas, new

teachers are paired with experienced teachers to receive guidance and support.

The Kansas Mentor Teacher Program was established by the 2000 Legislature beginning with the 2001-02 school year. It is a voluntary program and provides probationary teachers with professional support and continuous assistance by an on-site teacher. A mentor teacher is a certificated teacher who has completed at least three consecutive school years of employment in the district, has been selected by the school board as having demonstrated exemplary teaching ability, and has completed training provided by the school district in accordance with Kansas Department of Education criteria. Each mentor teacher may receive a grant not to exceed \$1,000 per school year for up to two probationary teachers. Fiscal year (FY) 2002 was the first year the Mentor Teacher Program was funded. That year, the Legislature limited grants to support only beginning teachers in their first year of teaching. No funding was approved for this program from FY 2003 through FY 2005. Subsequent years' funding was \$1,050,000 in FY 2006, \$1.2 million in FY 2007, and \$1 million in FY 2008.

Professional Development of Current Teachers

The Commission supports professional development efforts and believes these efforts must be related to the curriculum (job imbedded), be consistent, and be on-going. The Commission recognizes the importance of professional development in implementing reforms that have proven successful in improving student proficiency, such as the professional learning communities, noted above. The recent performance audit, K-12 Education: Reviewing Issues Related to Developing and Retaining Teachers and School Principals, noted that one of the overarching best practices for teacher professional development is the commitment of adequate resources to professional development by earmarking funds for training, paying advanced education training costs, and

offering more time for job-imbedded professional development.

Legislation requires school districts to provide professional development programs. School districts may use local money and receive matching state aid for education approved by the State Board of Education. There is a limitation placed on the amount of state aid a USD can receive. The limitation is one-half of one percent of the individual school's general fund budget. For the current fiscal year and FY 2008, the Legislature appropriated \$1.75 million for professional development. Actual expenditures by school districts in the 2005-06 school year totaled nearly \$12 million in state and local funds combined.

Attracting, Developing, and Retaining Teachers

The Commission reviewed the 2006 Teacher Working Condition Survey sponsored by Governor Sebelius, Kansas National Education Association, United School Administrators, and the Center for Teaching Quality. Approximately 22,000 teachers and administrators (53 percent of Kansas educators) responded to the survey. Among survey findings was the importance of adequate planning time for teachers as well as empowering them as decision makers in their schools.

The Commission supports activities intended to attract, develop, and retain high quality teachers and school principals as identified in the above-referenced survey as well as the Legislative Division of Post Audit performance audit report regarding teacher and principal retention entitled K-12 Education: Reviewing Issues Related to Developing and Retaining Teachers and School Principals.

The performance audit describes best practices for attracting and retaining teachers.

For attracting teachers, education literature includes:

- Improving compensation;
- Increasing recruitment efforts; and
- Reducing barriers to becoming a teacher.

For retaining and developing teachers, education literature includes:

- Establishing mentoring programs;
- Developing teacher preparation and transition programs;
- Improving working conditions;
- Increasing pay; and
- Dedicating adequate resources to training specifically targeted to teachers' needs.

Committee Recommendations:

- In recognition of the importance and success of leadership training and past leadership academies in the state, the Commission recommends that \$500,000 of annual and on-going funding be approved for leadership academies. The funding will be awarded to districts and service centers that apply to and are approved by the Kansas Department of Education (KSDE). Furthermore, the Commission recommends that KSDE evaluate the leadership academies that receive funding to measure their success in improving student proficiency over three, five, and ten-year periods.
- In recognition of the success of teacher mentoring programs, the Commission recommends that an additional \$1.0 million be added to the state's Mentor Teacher Program so the Program can be extended to the second year of a new teacher's probationary period. The additional \$1.0 million would provide the second year of mentoring to a potential of .01,000 new teachers in Kansas.

- In recognition of the importance of professional teacher and administrator development in understanding and implementing education reforms, such as professional learning communities, the Commission recommends that the Professional Development (In-service Education) Aid Fund be increased to \$4.0 million in FY 2008.

Improved Information Conclusion

The Commission supports the recommendation of the At-Risk Education Council development of the Kansas Department of Education data system. This system will be a critical component in the ongoing understanding of the achievement gap of at-risk

The Commission applauds the Department's work of the state database project which will include student and teacher information. The recommendation below takes this database further.

Committee Recommendation:

- The Commission supports the state database project being developed by the Kansas Department of Education to include both student and teacher information.

The Commission recommends the continued support of the data system being developed by the Kansas State Department of Education so that tracking a student's proficiency can be easily done.

The Commission adds the following special notes:

- No child should be required to ride on a school bus - one way - more than 60 minutes per day. If it requires additional bus routes, the state and federal government should be prepared to pay for them. The Commission heard a report of one family whose children were on the bus for one hour and forty

minutes – one way – and several families having children who ride a bus over an hour.

- The Commission recognizes the importance of ensuring our state's schools are safe for all children. The school tour recognized a particularly innovative strategy for ensuring safety through a single, secured entrance observed at Meadowlark Elementary in Pittsburg on the interim Commission tour of schools. This "air-locked" area required every visitor to the school to enter the school at one, secure location.
- One very important concept recognized by the Commission is that parental involvement in school activities is crucial to a child's success. Some of the most successful schools went to extraordinary lengths to involve their parents, including making home visits to

families who failed to attend parent-teacher conferences.

- The Commission believes that informing the public of the progress of their schools is vital to ensure confidence in our system of public education. Therefore, the Commission recommends that every school provide local newspapers with the scores resulting from No Child Left Behind (NCLB) testing for each school, by class; that parents receive copies of their child's NCLB test results by school, class, and their child at parent-teacher conferences; and that if a child is nonproficient in a subject, the parent be given a written report describing what is being done to ensure the child becomes proficient. If a parent does not attend the parent-teacher conference, the school should make other arrangements to see that the parents receive the information.

**Following is a Minority Report filed by
2010 Commission Member, Steve Iliff**

2006 Committee Reports - 2010 Commission Minority Report

Recommendation for a Comprehensive Standardized Consistent, Accounting System

Subtitle: No Legislator Left Behind

**A proposal for the 2010 Commission by Steve Iliff
December 18, 2006**

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Introduction

Every child must have the opportunity to receive an education. In America we recognize education as a basic right and value it as an essential in accomplishing liberty and happiness. In Kansas things are no different. Governor Sebelius has again challenged us to continue to search for the means by which the educational system can improve and flourish. We would all embrace a plan guaranteed to educate every child. Crafting such a plan is the goal of countless think-tanks, bureaucracies, private-institutions, individuals and commissions. However, other than a heaving and shifting from one ideology to another, not much has been accomplished. Not only is success in education measured differently, but the avenue to that success has huge variants. A child, not a product, is the outcome, and herein lies the rub.

As a member of the 2010 Commission I have had the privilege of being able to observe first hand the complexity of designing and implementing a solid educational foundation for Kansas children. Each of us on the commission has our own biases as to what we would like to see addressed or changed. My colleagues on the commission know I have strong opinions regarding what creates a successful school but I offer those along with everyone else's opinions. However, regarding the area of budgeting and financial accountability, I offer expertise not rhetorical opinions and I believe the state must make substantial changes. I offer this recommendation in a minority report because the 2010 Commission initially recommended it then reversed their position and chose not to recommend.

Issues in Funding and Spending Education Dollars

Educational revenue and expenses are very difficult to understand for either the layman or the expert not intimately involved with operations. Legislators are required to fund the public schools in Kansas adequately and equitably across the state but must know where the money goes in order to make this determination.

Legislators are continually being asked to provide more funds for education and do not understand where the money is going or how it is being used. This is like writing a blank check to the school system by the taxpayers.

All legislators and taxpayers have a strong desire to have the best education possible for each student in the system delivered at the most affordable price. Governor Sebelius has recognized the taxpayer's concern and stated it as one of the reasons she hired Standard and Poor's to perform their evaluations.

The State of Kansas is responsible to comply with Federal Guidelines and be able to show that Federal money has been used according to the purposes it was given.

The legislature holds in trust all the money taxed from the people to be used in the best interest of the people and take no more than is absolutely necessary to provide for education.

The only way anyone (legislator, commissioner, taxpayer, administrator or educator) can possibly know how well the educational system is doing in general or particular is by having an accurate accounting system for both financial, demographic and educational assessments that are consistently applied from year to year, school to school and district to district and then to the industry as a whole.

All parties from principals, superintendents, board members, legislators, taxpayers and even members of the Department of Education and Post Audit Division agree that there is no consistent or comparable accounting in the school systems of Kansas even at the district level and consequently no one can truly understand where money is going or compare one school building to another in the State of Kansas Education System, a 4 billion dollar business. You can't hold people accountable if you can't account.

Our 2010 Commission Chairperson, Rochelle Chronister, has been repeatedly quoted saying, "Show me the data." before she will make recommendations. This recommendation will provide a system for showing the financial, demographic and testing data in a coherent manner in order that sound decisions and recommendations can be made in a timely fashion.

At least 6 out of the 12 duties given to the 2010 Commission include words like determine, evaluate, monitor, review, and ensure the Kansas system is efficient and effective. All of these words and duties are meaningless without a system that will capture information in a comprehensive, methodical, orderly and consistent fashion.

Therefore I recommend:

A comprehensive accounting system with appropriate chart of accounts with clear definitions and well trained coders that should be begin effective with the 2007-2008 school year down to the school level.

The system would be designed and put into place by a small group of independent accountants, information technology consultants with the aid of retired principals and superintendents and post auditors.

The key to the success of this system would be a bipartisan approach with the full support of the governor and the leaders of both houses.

The Accounting Manual will be reviewed and put into place for all schools and districts. Be aware that since this has not been done intensively before that there will be significant changes over the next 2 years as schools implement and retrain their staffs or review the possibility of outsourcing this one function to a centralized accounting firm or state organization.

Reasons Why Implementation is so important:

Tax dollars are a trust and should be used very carefully and effectively. No more tax dollars should be requested or approved unless a compelling cause can be demonstrated.

The disbursement of funds calls for their use in an efficient and effective manner. This cannot be judged unless it can be measured. It can't be measured unless there is an accounting system. And one cannot determine who is doing better than whom unless the system is comparable among the schools. And one cannot determine if there is improvement unless the system can compare one year to the next and is consistent in its coding.

It will improve Education in Kansas

In order to get the best results in the classroom we must be able to provide resources where they will be most effective. We must understand costs, methods and personnel that produce those results. Ideally we would build a model. But since we already have schools in operation we can find which ones are operating most effectively and observe how they do it.

Data Mining will highlight Best Practices

Researchers are looking for best practices as well as poor practices. The only way they can confirm their hypothesis is with good data. They must be able to access the exact same data that is available to all those in the education community. If they can't get good data they will waste time, get false results, or open themselves to the accusation that they are comparing apples to oranges. But who can blame them when the current accounting system is so designed that it renders the apples to apples comparison impossible.

Data mining is used constantly by investors, scientific researchers, the military and businesses of all kinds. Sound decisions depend on good data.

Capturing the data should be neutral. Republican and Democrat, principal and board member, taxpayer and legislator should all want accurate data. If the data is captured well and available then the real debate can begin about what is best for the children of Kansas. Without it, we can never know what is best for the children. This was one of the goals mentioned by Governor Sebelius in the new initiative she passed in 2004.

Find out where the heroes are and reward them

The only way anyone can really know who the heroes are is by comparison. Which principals and teachers are getting more results with less money and more challenging student population? The only way to know is to have a reporting system that highlights them. They are out there.

It will Encourage Competition among the public schools

Districts and schools should compete with other districts and schools for better methods, outcomes and costs. Each will vie for efficiencies, lower turnover ratios, faster training and on going development and assessments that will be accurate and fair and continually improving.

In America we all believe that competition brings out the best in each of us. We see this on the field of athletics, fine arts, commerce and the military. Education is no different. The best run schools and districts should be rewarded publicly and financially and become the models and trainers of the districts that are struggling.

It is Good Business

All businesses run better when they can measure how well they are doing against a budget, against previous years and against other like entities in their industry. The number one reason businesses in the free market fail is because of poor financial business planning and controls. Schools will not fail because they have access to tax dollars but they will waste time and money. But it will still cause them to fail in delivering the scarce resources to where it is most needed.

An Accounting System is a good Internal Control

Good accounting records are an essential part of good internal controls to protect the money that has been entrusted to you. A four billion dollar industry should have them.

It would be easier in the long run for administrators

Once the system is in place and coders are trained, the request for audits would only be to verify source documents and even these could be scanned and put on a hard drive so auditors would not have to bother the schools for more information. It is the only way to ensure the money is getting into the classroom every year and in every school. Currently when auditors and legislators request details there is an intense amount of administrative work to produce such documents.

Legislators would be fulfilling their responsibilities

Legislators can't legitimately fulfill their responsibilities unless they are voting for or against measures which they understand and get reports on.

Taxpayers must believe in the system

Our system is based upon voluntary compliance. Compliance is based on trust in the system and our governors and legislators to administer taxes and use funds for the general welfare while controlling costs. Governor Sebelius desired the school districts to be more accountable to the taxpayers when she initiated the Standard and Poor's audit in 2004. But Standard and Poor's only audited 4-6 of the 300 districts in Kansas. A good accounting system will make much easier and more comprehensive.

It will truly give board members and taxpayers local control

You can't control what you don't know. Everyone is crying out for information. They want to know where their money is going and wonder if it is being used effectively. Every board member should have their eye on other schools and be asking questions like:

How can ABC school be getting such good scores?

ABC has the same demographics as we have and don't receive any more money. How can they be so excellent?

Where is ABC spending their money?
Why are their turnover ratios so much lower than ours?
Why did they get more money than we did?
ABC's parents just rave about their principal and teachers. Why?

You must be able to compare to see the difference. But you can't compare without comparable data.

District efficiency depends upon good accounting that is easily understood by the common taxpayer.

According to the January 2006 Post Audit Study there are 2 variables that help to make a District efficient. The first is when money is hard to come by. The second is when voters watch carefully how their tax dollars are spent. Both of these require good information systems.

Auditors and Accountants Believe a System should be Required

Barb Hinton, Post Auditor Recommends Accounting System

Barb Hinton supported a comprehensive system for the whole education community at the 11/14/06 Commission meeting. She later referred to her Post Audit Report dated March 2002 which exposes problems with the current system.

Standard and Poor's Audit

Standard and Poor's has done a very good audit at the request of Governor Sebelius and paid for with private money from the Kauffman Foundation. During testimony, they mentioned that they could not establish building indicators State wide with any accuracy because the accounting was too inconsistent from school to school and year to year.

Governor Sebelius is to be commended for commissioning such an audit and finding a way to pay for it from the private sector. She was criticized by the Educational establishment at the time but stood her ground. Standard and Poor's is doing a very helpful service to the citizens of Kansas and for our Educational Institutions.

Dale Dennis, Deputy Commissioner of Education

Dale Dennis said to the 2010 Commission on several occasions that although we have a chart of accounts for the State, no one really uses it consistently from school to school or year to year.

Generally Accepted Accounting Principles (GAAP)

These are the standards, principles, rules that govern Certified Public Accountants. All private companies, government and non profits follow these rules; the education community should be no different.

The reason our government and the American Institute of Certified Public Accountants require GAAP that it would be impossible to loan money to or invest in companies without a reliable and standardize accounting system. The taxpayers are investing in public education and must be able to determine if their local schools are using their money wisely.

Kansas School Accounting is done with a variety of different methods so that no one can compare their financials to other schools, districts or States. This makes auditing more difficult and makes real financial management for the State impossible.

Nature of the Accounting System

The idea is that each school (elementary, secondary, charter or alternative) would be run like a business franchise (a Wal-Mart, Barnes and Noble, Wendy's or Sylvan). The franchise would be received from and monitored by each district and the department of education. There would be a standard chart of accounts that would be consistent throughout all the schools and districts in Kansas. All finances would be accounted for including grants, gifts and other critical income that would help a school be successful.

Simple and Thorough Systems

Systems should be established to get all the information from parents one time, entered into the computer and then only updated with changes. The system would monitor the location of each parent and child as long as they reside in Kansas and would follow them throughout the State. It would capture all necessary demographic information to provide good comparable data.

Each year the parent would update his/her form for those things that are likely to change; address, phone numbers, income if requesting free or reduced lunch.

Track Individual Students

Each student when they begin a school year will be checked in and be followed by the system no matter how many schools they attend. This will avoid the problems which occur when seasonal jobs or changes in residence cause students to transfer schools. Each student should be given a test at the beginning of the year and another at the end of the year to note improvement. This would give us better assessment data that could travel with the student from school to school. No one would fall through the cracks.

Nature of our world

We have all watched the headlines as Enron, Worldcom, and our own Westar have been gutted by top management. The damage was so vast because both top management and their accountants were working together. There was no independent accounting and control.

We have also recently seen with the 501 School district's poor accounting and internal controls and policies how outsiders were able to take more than \$500,000 over 18 months out of the checking account without anyone noticing. This was due to poor accounting and management practices.

Oskaloosa School District recently appears to have lost money and the superintendent has been relieved.

No system can prevent all crime, but a good system using standard best practices is the best defense. This is not to point out problems with Public Schools for Private Schools have the same problems and issues. The difference between Public and Private here is that a Private School's funding can drop dramatically if the patrons lose faith and they could go out of business.

Objections to an Accounting System

Objection 1: But we want local control!

This recommendation would not affect how the money is spent or the control on the school or district. In fact, I am for more local control not less. But it would cause each school to be accountable for costs and outcomes so they could be compared. If a school spent more but got better outcomes with a more difficult population, who would complain? If it turned out that one board was spending millions more and getting very poor assessments scores compared to a district ten miles away with the same demographics, the parents and taxpayers might like to get real local control of the board members. In fact this would be the only way they could get local control. You can't control what you don't know.

Local Control vs. Centralize accounting functions

The State would leave local control in the hands of the individual school board on how money is spent, but the accounting system, coding and internal controls would be subject to best practices and regulated by the state (i.e. the accounting function would be centralized into a home office similar to many franchises in the commercial world). All bills would be sent by the vendor to the school or district administration for approval but then be forwarded for payment to the home office for proper coding and payment.

Payroll would be handled in a similar fashion. Financials would then be posted to the internet handling confidential information confidentially.

Objection 2: We need to do more Study and have a presentation.

The Legislative Post Audit Division did a Performance Audit back in March of 2002, which looked closely at the accounting and budgeting issue. They discovered and pointed out many practices among the Kansas School Districts that vary widely from standard best practices of accounting, budgeting and internal controls. The following is their summary:

Audit Title

School District Budgets: Determining Ways to Structure the Budget Document to Make It Understandable and Allow for Meaningful Comparisons

Audit Number

02PA10

Audit Date

3/2002

Audit Abstract

The laws, policies, and practices related to school district budgets are flawed in some areas. Because of the requirements or interpretations of State law, districts are overstating some expenditures and excluding other expenditures altogether. Staffing, enrollment, and expenditure information districts report in their budgets don't tie together, and aren't always reported consistently. In some local budget documents expenditures aren't summarized or grouped into categories, making it difficult to know how much money a district is taking in, or how moneys are being spent. We developed a new format for districts' local budget documents that realigns and summarizes categories of information, includes all revenues and expenditures, and tries to address most of the problems we identified. The new budget format ultimately can be used as a tool to help identify where a district's costs may be out of line compared with peer districts, Statewide averages, or other benchmarks. District officials and board members can use it to explore the reasons for differences in greater detail, and to consider any adjustments they may need to make to increase their district's efficiency. The format presented will need to be reviewed and refined to make it as meaningful and useful as possible.

1

Objection 3: But it will cost too much!

First of all, no one knows how much it will cost. No other person would even think of running a business without good accounting no matter what the cost. But, in fact, it will cost less, probably much less than we are spending now. Instead of each school or district having their own part-time accountants or part time bookkeepers who are underpaid and under trained, this function would be centralized allowing the benefit of those who would perform these functions to concentrate, be better trained and using the best accounting systems and controls. It should be similar to a Franchise accounting like McDonalds, Sylan, Walmart, of Starbuck.

In addition, good accounting will show where money is misallocated so it can be better spent to improve results.

¹ <http://www.accesskansas.org/srv-postaudit/results.do>

A recent Wall Street Journal article reported that the NEA fought disclosure of their income and expense reports using this same argument. They said it would cost too much-possibly more than a billion dollars. In fact it only cost \$54,000. The accounting disclosure did show one thing; where they spent their money. Once you look at their expenditures you can see why they fought full disclosure. You can go to www.union-reports.dol.gov to see the NEA reports now that they have full disclosure.²

Philosophical Resources and References

The Fiefdom Syndrome by Robert J Herbold: This book outlines the installation of a detailed accounting system at Microsoft at a time when all their departments in each separate countries in which they represented were not communicating well with one another. They lacked a comprehensive accounting system and Bill Gates could not tell how his company was doing until months after the quarter or year end.

Who Says Elephants Can't Dance by Lou Gerstner (Gerstner was appointed CEO of IBM when it was having serious financial trouble Story behind the IBM turnaround.

In Search of Excellence by Tom Peters

Made In America by Sam Walton

Behind the Arches by John F Love

The Effective Executive by Peter Drucker

Managing the Non-Profit Organization by Peter Drucker

The E-Myth by Michael Gerber

² <http://www.opinionjournal.com/editorial/feature.html?id=110007761>

Recommendation: Fix the Free and Reduced Lunch Under-Reporting Problem Using Technology

Steve Iliff recommended fixing the current problem uncovered by the Post Audit by using technology. Using the computer and secured servers, all individuals who apply for a free lunch could enter their data on to a computer in a secure private location at the school, public library or even on the web while they are at home. They could enter their personal information, address, social security and income of their household. The computer would go to the State of Kansas computers and check the income, payroll tax returns and 1099's on file with the State for all the members of the household and return a yes or no answer. If they do qualify, they could print out a qualification sheet with a unique number on it for the parent to turn in or mail to the school. The school secretary would enter that number into the school computer and it would confirm with the State of Kansas that this individual was indeed eligible. This would have the benefit of cutting staff time, rendering auditing unnecessary, improving confidentiality and accuracy, make lying more difficult and take the administrator out of the impossible situation of confronting a cheating parent, denying his child \$600 worth of free food and, in addition, losing \$2,000 per year for his school district or following his conscience.

In addition, some penalty, other than just losing your free lunch status, should be imposed on the parent for false reporting and the administration for failure to audit and enforce the system.

Recommendation: All money provided must have measuring tools to prove results.

I believe and therefore recommend that no extra money be given to schools or districts without measuring tools that will make sure that the money given is managed effectively and with corresponding results.

Money is a Scarce Resource: It Must be Carefully Distributed and Measured for Results

I, the one CPA on the commission, do not ***know*** if any individual schools, school districts, or groups within the education establishment, really need more money. We as a commission have not studied individual schools close enough to make such a determination. I do not ***know*** whether special education students, English language learners or at-risk students need more money. Maybe they do, but I can't recommend more money because I do not ***know*** that it is necessary. I do not want the legislature to believe that I or the commission has been given enough information to confidently make any recommendation about adding more money to the current school systems.

Giving money across the board to schools when there is no measuring tool to determine if this money was effective does not make sense. Some will spend it like a homeless drunk who has just been given \$1,000 in cash. Others will use it very wisely and get some incremental improvement.

Salary increases across the board guarantee no improvement in education. It will garner appreciation from good teachers but will make it that much more difficult to remove poor teachers or teachers that do not really like to teach. The best teachers don't teach for money. It is their mission. For the worst teachers; money is a major factor.

Money in the hand of certain people will do more than in the hands of others. The Blue Ribbon Schools that testified before the Commission and the Education Committee never mentioned money as an issue. To them the *No Child Left Behind* Program has been a positive challenge and a motivator to help teachers find better more creative ways to improve scores.

Money is better used when it is difficult to come by and it is carefully watched and accounted for. In the Jan 2006 Cost Study Analysis done by the Post Audit Committee, District Efficiency was mentioned several times. When I asked Scott Frank, Legislative Post Audit's Manager of School Audits assigned to the 2010 Commission, what he meant by "district efficiency", he gave the following answer:

In conducting the statistical analysis behind the cost study, we had to control for district efficiency. Because efficiency is very difficult to impossible to observe directly at a global level, we included indirect measures that tend to be associated with efficiency. Those variables fell into two broad categories:

1) Fiscal capacity variables. All other things being equal, districts for whom money comes more easily tend to spend more. To measure this, we looked at income per pupil (for the citizens, not the district), assessed valuation per pupil, the ratio of State and federal aid to income (again for the citizens), and the local tax share (roughly, how much of the property tax in a district is the typical household responsible for?). Except for the local tax share, each of these measures was significantly related to spending.

2) Voter monitoring variables. All other things being equal, districts that have a large number of voters who are likely to pay attention and hold them accountable are likely to spend less. To measure this, we looked at the percent of adults who are college educated, the percent of the population that is 65 or older, and the percent of housing units that are owner occupied (as opposed to rentals). All of these measures were significantly related to spending.

My conclusion based on that information: Districts use their money more efficiently if they find money more difficult to come by and they have a population of interested parents and taxpayers who are willing to hold them accountable. This should not surprise us for businesses and families tend to run the same way.

Standard and Poor's said:

A vital part of achieving higher standards is effective resource management—attention to *what* to spend resources on, how to spend them, and how much to spend. Allocating resources, making trade-offs, investing and directing effort toward student-achievement.¹

We don't currently have the measuring tools in place to ensure that we have effective resource management and the reports that follow the money we currently give to the system.

¹ Standard and Poor's Kansas Education Resource Management Study, Phase III, Winter 2006