

SESSION OF 2002

SUPPLEMENTAL NOTE ON SENATE BILL NO. 642

As Amended by Senate Committee on
Public Health and Welfare

Brief*

SB 642, as amended by Senate Committee, amends three statutes that are a part of the University of Kansas Hospital Authority Act.

The amendments expand two of the definitions of terms used in the act. The definition of "State employee" is amended to provide that hospital or Authority employees are not to be considered state employees for the purposes of the act being amended or any other Kansas statute or regulation. The amendment is to be construed and applied retroactively to the date the original Kansas Hospital Authority Act was enacted. The second change is applicable to the definition of "Hospital employee" as it appears in the current law. The change adds "authority" to the definition, so the term being defined is "Hospital or authority employee." The amendatory language makes it clear the reference is to a person who is an employee of the Authority who performs services for the hospital and adds the same type of explanation as added to the earlier definition, *i.e.*, that such persons are not to be considered state employees and that such interpretation is to be construed as applicable retroactively.

Amendments to the statute that creates the University of Kansas Hospital Authority increase the size of the Board of Directors from 14 to 19 by the addition of five public members. The change is to be accomplished by providing that the terms of the public members on the Board are to expire on the effective date of SB 642, with such members to be reappointed to the Board by the Governor along with the additional public members. The length of the terms of the public members is changed from three to four years. Provision is made for staggering the

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org/cgi-bin/fulltext/bills.cgi>

terms of the public members appointed pursuant to the amendment. In addition, SB 642 changes the procedure to be followed in the appointment of public members. Currently, a nominating committee appointed by the Authority's Board of Directors submits a slate of candidates to the Governor for the Governor's consideration in making appointments. Pursuant to the amendatory provisions, the nominating committee would have to receive input from the Board and confer with the Board prior to submitting a slate for each vacancy on the Board which has not less than two names nor more than three, from which slate the Governor would be required to make an appointment. Currently, public members of the Board may serve no more than two consecutive three-year terms. As set out in SB 642, public members could serve no more than three consecutive four-year terms, except that any previous term served by a member whose term was terminated under the amendments contained in SB 642 would not be included in the term limitation. Public members would continue to be subject to Senate confirmation.

Changes are also made in regard to the ex officio members of the Authority Board of Directors. All six of the ex officio members would become voting members. Presently only three are voting members.

SB 642 removes the statutory limitation on the reimbursement for expenses of attending a meeting of the Authority Board of Directors and makes such reimbursement subject to Board policies.

SB 642 adds to the statutory provisions from which the Kansas Hospital Authority is exempt to include an exemption from the Government Records Preservation Act.

The section of the act that concerns the actual transfer of employees at the time the Kansas University Hospital was transferred to the Authority is amended. The requirement for the Authority to affiliate with the Kansas Public Employees Retirement System (KPERs) for current (at the time of transfer) and future employees is changed to make the requirement applicable only to the transferred employees. The Authority would be allowed to affiliate with KPERs, at the discretion of the Board and regardless of other applicable laws, for any persons employed after the transfer date, except that no employee enrolled after the transfer date could change membership status retroactively. The statute also speaks to persons who were employed by the Board of Regents on the transfer date and requires continued

assistance for such persons in purchasing retirement annuities under the Regents system or adopt retirement plans providing similar benefits. New language deletes references to certain plans, requires the adoption of a substantially similar plan or plans, requires the continuation of insured death and disability benefits for transferred employees, and authorizes but does not require, the provision of such benefits for employees hired on or after the transfer date.

The Senate Committee amendments delete a section of SB 642 that was included in error and contained no actual amendments. The bill would become effective on publication in the *Kansas Register*.

Background

SB 642 was introduced at the request of the attorney for the Hospital Authority who indicated to the Senate Committee the Authority had been reviewing the laws under which it operates and found there were changes in the law that would facilitate the operations of the Authority and hospital. An attorney explained the problems that exist in creating a retirement plan for individuals previously covered by the Regents system as far as the present law is concerned. No one appeared in opposition to the bill. Having determined that one section of the bill contained no amendments, the Senate Committee amended the bill to delete that section.