

MINUTES OF THE HOUSE FEDERAL AND STATE AFFAIRS.

The meeting was called to order by Chairperson Representative Tony Powell at 1:30 p.m. on February 17, 2000 in Room 313-S of the Capitol.

All members were present except: Representative Findley, Excused
Representative Freeborn, Excused
Representative Mayans, Excused
Representative Ruff, Excused

Committee staff present: Theresa Kiernan, Revisor of Statutes
Russell Mills, Legislative Research
Mary Galligan, Legislative Research
Winnie Crapson, Secretary

Conferees appearing before the committee:

Ben Barrett, Director, Legislative Research
Roland Smith, Chairman, Legislative Compensation Commission

Others attending: See attached list.

Chairman Powell convened the committee meeting.

Without objection bill will be introduced providing technical amendments to the Kansas Securities Act requested by the Securities Commissioner.

Chairman Powell opened the hearing on

HB 2606, Legislative Compensation Commission, recommendations effective unless rejected by the legislature.

Ben Barrett, Director of Legislative Research, served as staff support for the first year of operation of the Legislative Compensation Commission and presented an overview. The Commission was established by the Legislature in 1998 to meet in even-numbered years and submit recommendations to the Legislative Coordinating Council and Governor by December 1 of that year. If legislation is required, it was to be introduced immediately in the following session. It contains interesting provisions that such legislation is to be acted upon by February 1. It is a seven-member commission appointed one member each by the top six legislative leaders and one by the Governor to serve as chair. The first Commission was made up of people clearly concerned and well versed.

In the summer and fall of 1998 the Commission informed itself about the status of legislative compensation programs among the states and attempted some comparisons. It is difficult to find ways to compare workloads given the diversity of their organization and operation. The guiding principles of the Commission were: (1) they were convinced that legislative compensation in Kansas was too low and needed to be increased; (2) they placed a high value on benefits to Kansas of a legislature that was both diverse and represented all kinds of interests; and (3) the extent compensation can contribute to the conception of citizen legislators as opposed to professional legislators. The legislative compensation program should be easy for the public to understand and accept.

The Commission recommended that an annual rate of pay be established at \$18,000 per year to replace the daily \$74.58. They would leave in place the interim expense allowance of \$5,400. The annual rate would continue subject to cost of living adjustment. They believed the annual rate of pay approach would be easier for the public to understand and would help to recognize the work of legislators throughout the year with the legislature is not in session. With this recommendation Kansas would not rank among the higher paying states but would be in the middleground.

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The Commission was of the view that annualizing for KPERs purposes is not justified. Clearly it causes problems of public perception. The Commission recommended for new members of the Legislature (effective 2001) base would be \$18,000 annually. Existing members would continue service and be held harmless.

The Commission recommended a new system of voucher reimbursement for mileage to attend events for legislative service in their district but in a county other than that of their residence.

Continuation of the present practice for determining leadership pay and subsistence arrangements and participation in interim committees was endorsed.

Russell Mills, Legislative Research, presented a packet of information (Attachment 1) relating to the Compensation Commission including:

- (1) First Biennial Report: December 1, 1998
- (2) Report to the 2000 Kansas Legislature
- (3) Fiscal note for **HB 2606**
- (4) FY 2000 Kansas Legislators Compensation and Expenses—Annualized
- (5) Analysis of Missouri Citizens' Commission on Compensation for Elected Officials
- (6) Report of the National Conference of State Legislatures of 1997-98 Compensation and Benefits for State Legislators
- (7) Report of Legislative Compensation in the Midwest dated July, 1999
- (8) History of Legislative Pay in Kansas 1861-2000

Jack Hawn, Deputy Executive Secretary of KPERs, responded to a question that an \$18,000 salary being proposed would generate monthly benefit of \$26.25 per month per year of service. Mr. Hawn said it could be more than three times that amount. under current law which allows annualization of salaries.

The LCC authorized the Commission to meet in 1999 as a special committee although the enabling legislation contemplates meetings only in even-numbered years. They reviewed recommendations to the 1999 Legislature, none of which were enacted. One which came to the floor received twelve votes. A Committee bill carried over to this year has been killed. The Commission voted unanimously to recommend adopting the Missouri example" recommendations take effect unless rejected by February 1.

The fiscal note is \$700,000 to \$800,000 in FY 2002 for the 1998 recommendations of the Commission, which are still in effect (see fiscal note for 1999 SB 55).

Mr. Mills said the Commission has the authority to set additional pay for members of leadership and committee chairs and retirement pay. The question of whether or not the legislature can amend the proposal has not been thoroughly discussed, but it is assumed the Constitutional provision relating to Executive Orders would apply.

Representative Edmonds asked if there was a constitutional problem with delegating so much authority to a group outside the legislature. Theresa Kiernan presented a note from Jim Wilson, First Assistant Revisor, stating the opinion that this would be permissible under the constitution, referring to p. 26-3 of Reports of Special Committees to the 1974 Kansas Legislature stating that language in the Constitution "as is determined according to law" was intended to permit the legislature to "create a compensation commission which would establish compensation subject to approval of, or veto by, the legislature." (Attachment #2). Mr. Wilson's memorandum on **HB 2606** dated January 7, 2000 was distributed (Attachment #3).

Mr. Mills said both chambers of the Missouri General Assembly must reject the proposal. **HB 2606** would allow either the Senate or the House to reject it. At their meeting in October two Commission members who are former legislators said they believed if a chamber wanted to vote it would be done whether or not supported by the leadership.

In response to questions Mr. Mills said it was difficult to specify "average" legislative pay since some

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members serve on many interim committees and would exceed the twelve days provided.

Chairman Powell asked that information be provided relating to Oklahoma and other states which have compensation commissions. Mr. Mills said about twenty states have compensation commissions.

Representative Klein noted constitutional amendment would be stronger than a statute passed by the Legislature.

Roland Smith, Chair of the Legislative Compensation Commission, addressed the Committee. He said members believed they were called to take an objective look at compensation and were disappointed that their recommendations were not acted upon. Reflecting on the Missouri system many members believed our present Commission was not large enough.

Mr. Smith said the Commission discussed the possibility of their recommendations being amended but believed the idea was to get a vote up or down at that point in the process. If acceptable to the majority, it would not be voted down. He expressed his opinion based upon eighteen years experience that membership involves a sacrifice in business and personal life. He serves on the Commission because he believes the issue deserves the attention of the public which has no idea how many hours are spent. People need to be interested in what legislators do and how they do it. The Commission does not intend their proposal to be the final bill but a starting place for discussions.

In response to question from Representative Edmonds, Mr. Smith said it was the view of the Commission that the level of compensation inhibits people from running for the legislature. He said 99 out of 100 small business people cannot afford to serve.

Chairman Powell said that although no seats were unfilled, there was only one candidate for over half of the seats in the House last year which impacts diversity. Mr. Smith said it would cost the average small business owner about \$40,000 for the time they would miss from their business.

Representative Mason expressed appreciation for the work of the Commission in serving an important function legislators are not willing to do it for themselves. He would much rather the Commission would make the proposals than to depend on editorial staffs around the state to make the policy. He noted the comparison to compensation for County Commissioners at \$200 per day and mileage for about the same number of days a year. When he was chair of the Education Committee he went to almost every county in the state with no provision for extra expenses. He netted less than \$4,000 that year and there was less than one week he was not on the job.

Representative Mays noted the experience of each member of the Committee which he believes is representative of the cross section represented by the Legislature.

Chairman Powell wants to protect that diversity in the future. He believes it is important to have attorneys in the Legislature because of their expertise but their number is decreasing. It has had an impact on his practice both financially and in an inability to keep up with clients while here. He believes it is worse now than when he came six years ago. He notes a group under-represented is people in their thirties, with families, who are the principal wage earners. Over fifty percent of present members are either retired or their spouse is the primary wage earner. That is not representative of the total workforce

Mr. Smith said there needs to be diversity in ages and professions. He responded to a question that there were mixed emotions about the definition of "citizen legislator" but one definition would be that it is part time rather than fulltime.

Chairman closed the hearing on **HB 2606**.

The meeting adjourned. The next scheduled meeting is February 21.