

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chairman Kenny Wilk at 9:05 a.m. on March 14, 2001, in Room 514-S of the Capitol.

All members were present except: Representative Phil Kline
 Representative Cindy Hermes
 Representative Jeff Peterson

Committee staff present: Alan Conroy, Legislative Research
 Rae Anne Davis, Legislative Research
 Jim Wilson, Revisor of Statutes
 Mike Corrigan, Revisor of Statutes
 Nikki Feuerborn, Committee Secretary

Conferees appearing before the committee: Janet Schalansky, Secretary of SRS

Others attending: See Attached

Chairman Wilk announced the following:

I hereby open the public hearing on the proposed use and distribution of funds required as a condition of receipt of funding for federal block grant programs administered by the following state agencies: the Department of Health and Environment, the Department of Social and Rehabilitation Services.

Janet Schalansky, Secretary of SRS, presented an overview of the Social Services Block Grant, Block Grant for the Prevention and Treatment of Substance Abuse, the Community mental Health Services Block Grant, the Low Income Energy Assistance Block Grant, and Project for Assistance in Transition from Homelessness Block Grant (Attachment 1).

Dr. Michael Moser, Director of the Division of Health of KDHE, presented an overview of the Preventive Health and Health Services (PH) Block Grant and the Maternal and Child Health Services (MCH) Block Grant (Attachment 2).

Chairman Wilk closed the hearing by announcing:

I hereby close the public hearing on the proposed use and distribution of funds required as a condition of receipt of funding for federal block grant programs administered by the following state agencies: the Department of Health and Environment, the Department of Social and Rehabilitation Services.

Hearing, Discussion, and Action on HB 2543 - Purchasing thresholds requiring bidding for school districts and certain other local governments

Rae Ann Davis, Legislative Research Department, explained this bill which would increase the threshold amount for purchases that would require competitive bidding for certain purchases over \$20,000.

Representative Campbell spoke on behalf of the bill which would assist the school districts and municipalities in their purchasing divisions.

Representative Stone said this was a very worthwhile bill which would benefit many in eliminating a long waiting period in securing bids for small purchases.

Written testimony was received from: Todd Covault, Assistant Superintendent of Business, Emporia US 253 (Attachment 3); Ashley Sherard, Intergovernmental Relations Manager, Office of the County Administrator, Johnson County (Attachment 4); Gary L. Haller, Director of the Johnson County Park and Recreation District (Attachment 5); and Stacey Farmer, Governmental Relations Specialist, Kansas Association of School Boards (Attachment 6).

Representative Spangler moved to report the bill favorably and place it on the Consent Calendar. Motion was seconded by Representative Campbell. Motion carried.

Action on HB 2283– Attorney for board of adult care home administrators appointed by the attorney general

Representative Bethell moved to amend the bill on Line 28 of Page 1 by striking “secretary of health and environment” and inserting “governor” relating to future appointments. Motion was seconded by Representative Neufeld. Motion carried.

The Committee discussed the fiscal note of \$30,000 which would be the approximate personnel costs for having the Attorney General assign staff for this position. Remarks concerning the appropriateness of having an attorney conduct the hearing who works for the agency filing the complaint against the Adult Care facility were made. Removing this amount of money from the KDHE budget and transferring it to the Attorney General’s budget will be discussed during budget discussions. The Committee requested a list of Board Members and their home cities.

Representative Bethell moved to report the bill favorably as amended. Motion was seconded by Representative Neufeld. Motion carried.

Chairman Wilk announced that the following bills would be discussed and acted upon:

HB 2542– Retirement, KPERS, benefits, technical compliance amendments

HB 2538– KPERS, participating employer to certify member contributions upon retirement and responsible for any overpayments

HB 2537 –Appointment of officers and employees by KPERS board

HB 2534 – Procurement requirement for obtaining certain services by KPERS board of trustees

HB 2363– Minimum retirement benefit amount for certain school retirants

HB 2507 – Election for 8% deferred compensation plan for legislative staff agency employees

HB 2523 – Purchase of service credit for certain members of the Kansas police and firemen’s retirement system

Julian Efrid, Legislative Research Department, explained the bills to the Committee.

Action on HB 2542-Retirement, KPERS, benefits, technical compliance amendments

Representative Stone moved to pass the bill favorably. Motion was seconded by Representative Pottorff. Motion carried.

Action on HB 2538 -- KPERS, participating employer to certify member contributions upon retirement and responsible for any overpayments

Representative Stone moved to amend the bill on Page 3, Line 13, by inserting after “employer.” “When an employee in school employment files such an application, the participating employer responsible for any such amounts as provided in this subsection shall be the employee’s eligible employer as specified in subsections (1), (2), or (3) of K.S.A. 74-4931, and amendments thereto, and shall not be the state of Kansas.” (Attachment 8). Motion was seconded by Representative Shriver. Motion carried.

Glenn Deck, Executive Director of KPERS, and Jack Hawn, Deputy Director of KPERS, explained that with 4,000 retirants a year applying for benefits, that there have only been 10-20 errors annually in computation of benefits by the 1,400 employers involved. They did not think that the lower contribution rates were intentional, but were “human errors” caused by the salary reporting data for KPERS only being compiled and submitted annually. If the employee retires between the times of reporting, the additional contribution which should come from the employer is sometimes overlooked. However, this is usually discovered in the next salary reporting period. This proposed legislation would authorize the employer who over-certifies the employee’s retirement benefits to pay the contribution for the non-reported period, and after KPERS approves the certification for certain benefits for the retiree from information obtained from the employer, the retiree would receive the additional unearned benefit from KPERS monthly. The Committee questioned why this error in overpayment would not be deducted from future benefits of the retiree. Under the current statutes, KPERS must contact the retiree, advise them of the error, and adjust future benefits downwards. It was pointed out by KPERS personnel that these amounts are minimal to the KPERS system but can be very distressful to a retiree. The Committee discussed that the employee is not being penalized because the employers makes the contribution based upon the corrected calculations.

Representative Shriver moved to pass the bill favorably as amended. Motion was seconded by Representative Stone. Motion carried. Representative Landwehr asked to be recorded as a “No” vote.

HB 2537 –Appointment of officers and employees by KPERS board

Representative Stone moved to amend the bill on Page 2, Lines 14, 15, and 16 by reinserting the stricken language and to replace “secretary” throughout the bill with “director.” Motion was seconded by Representative Campbell. Motion carried.

Representative Stone moved that the bill be reported favorably as amended. Motion was seconded by Representative Spangler. Motion carried.

Action on HB 2534 – Procurement requirement for obtaining certain services by KPERS board of trustees

Representative Stone moved to amend the bill by adopting the **Substitute Bill for HB 2534** (Attachment 9). Motion was seconded by Representative Pottorff. Motion carried.

Representative Stone moved to amend Section 4 by changing the effective date to publication in the Kansas Register. Motion was seconded by Representative Pottorff. Motion carried.

Representative Stone moved to report **Substitute Bill for HB 2534** favorably as amended. Motion was seconded by Representative Spangler. Motion carried.

Action on HB 2363– Minimum retirement benefit amount for certain school retirants

Representative Stone moved to amend the bill by inserting on Page 1, Line 15 after “1971,” “and who had at least 20 years or more of service credit,” (Attachment 10). Motion was seconded by Representative Pottorff. Motion carried.

Representative Nichols moved to conceptually amend the bill by inserting the language in **HB 2152** into the bill. Motion was seconded by Representative Stone. Motion carried. Representative Landwehr asked to be recorded as a “No” vote and Representative Spangler asked to be recorded as a “Yes” vote.

This bill would apply to retirants in the 85-95 year age bracket.

Representative Stone moved that the bill be reported favorably as amended. Motion was seconded by Representative Spangler. Motion carried. Representative Landwehr asked to be recorded as a “No” vote.

The minutes of the February 14 and March 9 meeting were approved as corrected.

The meeting was adjourned at 11:00 p.m. The next meeting is scheduled for March 15, 2001.