

Approved: 04/28/94
Date

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chairman Rochelle Chronister at 10:05 p.m. on April 26, 1994 in Room 514-S of the Capitol.

All members were present except: Rep. George Dean, excused

Committee staff present: Alan Conroy, Legislative Research Department
Debra Duncan, Legislative Research Department
Russell Mills, Legislative Research Department
Laura Howard, Legislative Research Department
Tim Colton, Legislative Research Department
Kathy Porter, Legislative Research Department
Pat Mah, Legislative Research Department
Leah Robinson, Legislative Research Department
Julian Efird, Legislative Research Department
Carolyn Rampey, Legislative Research Department
Jim Wilson, Revisor of Statutes
Jerry Cole, Committee Secretary
Sharon Schwartz, Administrative Assistant

Conferees appearing before the committee:

Russell Mills, Kansas Legislative Research Department (KLRD)
Debra Duncan, KLRD
Laura Howard, KLRD
Vern McKinzie, Kansas Pest Control Association, Inc.
Jamie Clover Adams, Kansas Fertilizer and Chemical Association
Max Foster, Department of Agriculture
Kathy Porter, KLRD
Secretary Susan Seltsam, Department of Administration
Paul Dickhoff, Kansas Association of Public Employees
Brad Avery, Public Employee Service Organization

Others attending: See attached list

Rep. Reinhardt made a motion to introduce a bill dealing with kindergarten attendance ages. Rep. Pottorff seconded the motion and it carried.

Russell Mills, Debra Duncan and Laura Howard, Legislative Research Department, briefed the committee on the recommendations of the super conference committee assigned to examining juvenile offender legislation. (See Attachment 1). Rep. Pottorff made a motion to include the super conference committee recommendations as part of the omnibus bill, but to change the Department of Corrections expenditure of \$1 million Budget Stabilization Fund recommended to FY 94 ending balances. Rep. Gross seconded the motion and it carried.

Chairman Chronister opened the hearing on **SB 843**. Vern McKinzie, Kansas Pest Control Association, Inc., testified in support of the bill. (See Attachment 2). Jamie Adams, Kansas Fertilizer and Chemical Association, also appeared favoring the bill. (See Attachment 3). Max Foster, Department of Agriculture, was the final conferee offering testimony favoring the bill's favorable recommendation. (See Attachment 4). The hearing was closed.

The hearing on **SB 824** was then opened. Kathy Porter, KLRD, gave the committee members a brief presentation on the provisions contained in the bill and what they accomplished. Secretary Susan Seltsam,

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS, Room 514-S of the Capitol, at 10:05 a.m. on April 26, 1994.

Department of Administration, testified in support of the bill. (See Attachment 5). Paul Dickhoff, KAPE, provided relative testimony in opposition to section two. (See Attachments 6 & 7). Brad Avery, PESO, also testified against the bill and addressed the longevity issue, ambiguities in the congressional Family Leave Act, overtime compensation, COLA and reclassification. The hearing was then closed.

The committee recessed at 12:30 p.m. and reconvened at 1:40 p.m.

Jim Wilson, Revisor of Statutes addressed the committee requesting the introduction of 10 bills resolving conflict in statutes and other technical items. (See Attachment 8). Rep. Helgerson made a motion introducing the bills and to send them directly to the House floor, seconded by Rep. Everhart and carried.

Debra Duncan, Legislative Research Department, went over the bills that were vetoed by the Governor. (See Attachment 9). Committee members recommended an attempt at override for the appropriation items under the Department on Aging, Corporation for Change, Emergency Medical Services (EMS), Commission on Veterans' Affairs, Lottery, Parsons State Hospital, Department of Social and Rehabilitation Services and Winfield State Hospital. Furthermore, members agreed to insert funds for Aging, EMS, Veterans' Affairs and Parson State Hospital into the Omnibus Bill if the override failed. At the recommendation of Rep. Lowther, the committee also agreed on inserting \$24,000 for the Kansas Neurological Institute's expenses of food preparation for population expansion at Topeka State Hospital.

No further business appearing before the committee, the meeting was adjourned at 2:35 p.m. The next meeting is scheduled for April 27, 1994.

1994 Appropriation Committee Guest List

1	NAME	ORGANIZATION
2	Alan Zarf	98.3 W-W-10 Topok
3	Bruce Chen	PE50
4	Jamie Clover Adams	KFCA / KBFA
5	Nancy Bogina	KDOT
6	Duane Waterworth	Division of Budget.
7	Paul Dickhoff	KAPE
8	Mylene Kelley	KAPE
9	Bill Watts	KDOT
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Tue, Apr 26, 1994

SUPER CONFERENCE COMMITTEE ON JUVENILE OFFENDERS

SUMMARY OF RECOMMENDATIONS

Judicial Branch

Appropriation of **\$1,500,000 from the State General Fund** for juvenile intake and assessment, to be released by the State Finance Council after development of a plan for a uniform, standardized plan for intake and assessment, developed in consultation with SRS.

Department of Corrections

Appropriation of **\$1,000,000 from the State Budget Stabilization Fund** for community corrections intensive supervision programs for juvenile offenders

Transfer of **\$1.5 million from the State General Fund** from SRS to DOC to transfer existing SRS day reporting funding to DOC, and the addition of **\$500,000 from the State Budget Stabilization Fund** for juvenile offender day reporting programs.

SRS

Lapse **\$1.5 million from the State General Fund** based on the transfer of day reporting funds to DOC.

Restore **\$1,150,000 from the State General Fund** (and matching federal funds) vetoed by the Governor in S.B. 585 for youth center aftercare (\$750,000 to be contracted with DOC) and modifications to the CETU unit (\$400,000).

Youth Center at Topeka

Add **\$200,000 from the State General Fund** to restore the boot camp-like atmosphere at the Youth Center at Topeka.

NOTE: Funding from the State Budget Stabilization Fund is for one year only; federal funds generated by the passage of S.B. 400 (estimated to total at least \$1.7 million) will make State General Fund dollars available to continue these programs in FY 1996.

S.B. 400

Senate agreed to accede to House amendments to the bill. The 1995 Legislature will look at the revenues received and capture the funds for the purposes noted above.

S.B. 525 -- Sex Predators

The Super Conference Committee agreed to the following:

SRS: Addition of \$723,874 from the State General Fund for treatment costs (agency choice of personnel or contracting), and \$65,000 from the State Budget Stabilization Fund for one-time expenses, for a total of \$788,874 in SRS.

DOC: Addition of \$74,300 from the State General Fund and 2.0 FTE positions.

Addition of \$600,000 from the CIBF for planning costs for a sexual predator unit, subject to finance council release after review by the Joint Committee on State Building Construction

KANSAS

PEST CONTROL ASSOCIATION

INC



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PRESENTED TO
HOUSE APPROPRIATIONS COMMITTEE
April 26, 1994

by
VERNON MCKINZIE
KANSAS PEST CONTROL ASSOCIATION, INC.
Government Affairs Committee Chairman

Good Morning! My name is Vernon McKinzie, I have pest control business interests in Emporia, Manhattan, and Parsons Kansas. We hold a License for Pesticide Business and Registration for Pesticide Dealer. Our Association members perform services for control of roaches, rats, mice, termites and other pests that threaten people's health or property. We perform hundreds of thousands of service calls annually for our business and residential customers in Kansas. I am also a Board Certified Entomologist and chair the State Association Government Affairs Committee and I appear before you today representing the Kansas Pest Control Association, Inc. to make comments on Senate Bill 843.

We support Senate Bill 843. We agree with and have experienced the obsolescence of the existing Board of Agriculture Laboratory equipment. Our members have experienced delays exceeding twelve months to receive analysis results of pesticide samples taken in the field. We hope new modern equipment would expedite the results and their return in a timely fashion in order to advise us of proper or improper concentrations. The \$12.00 fee increase for five years is a modest amount for us to pay for timely return of pesticide sample results.

We estimate about 400 pesticide business licensees operate in Kansas. If that number is correct, our industry will contribute about \$24,000.00 toward the fund. We are willing to participate and encourage the

ATTACHMENT 2

adoption of this temporary fee change.

We respectfully request you consider an amendment to the fee changes to include Pesticide Dealer Registration fees. KSA 2-2469(a) currently sets that fee at \$15.00 annually. KAR 4-13-29 states any business or individual who offers restricted use or those pesticides requiring dilution by the user must have a dealer registration. We do not have an estimate of how many dealer registrations exist in Kansas but believe it may be a sizable number. We would like to see a modest increase in dealer registration fees of three to five dollars annually and specifically earmark that increase for the publication of INSECTS IN KANSAS.

Last year the legislature passed and the governor signed HB 2086 which specifically allowed the expenditure from the agency publication fund and authorized contracting for publication of INSECTS IN KANSAS. The house substitute for SB 437 specifically allowed for the Board of Agriculture to accept or receive funds from any source designated for the publication of the book. Current HB 2753 extends both functions through fiscal 1995. Our association has offered \$1,000.00 toward that fund, but the agency has declined to accept funds or proceed with the publication. Rather, they indicate the information should be made available on CD-ROM. It is our observation very few people will carry a personal computer into the field for identification purposes. We have been told the entire book has been edited, updated, reviewed and exists in "camera ready" copy.

INSECTS IN KANSAS has been used widely by 4-H Entomology groups, other youth groups who study and collect insects as well as college and public school biology classes. The second edition printed in 1962 has been out of print for over 20 years. It is an excellent guide for identification of hundreds of common Kansas insects. We believe a fee increase for dealer registrations would be a wonderful way to supplement funding for this publication and it would be a useful tool to the lay person in the identification of insects and the subsequent use of pesticides for their control.

In summary, we support SB 843 for funding modern laboratory equipment and urge you to accept our recommendation for amending the bill to fund the cost of publication of INSECTS IN KANSAS. Thank you. Are there any questions?

STATEMENT OF THE
KANSAS GRAIN AND FEED ASSOCIATION
AND THE
KANSAS FERTILIZER AND CHEMICAL ASSOCIATION
TO THE
HOUSE APPROPRIATIONS COMMITTEE
REP. ROCHELLE CHRONISTER, CHAIR
REGARDING S.B. 843
April 26, 1994

Madam Chair and members of the Committee, I am Jamie Clover Adams, Director of Legislative and Regulatory Affairs for both the Kansas Grain and Feed Association (KGFA) and the Kansas Fertilizer and Chemical Association (KFCA). The two associations have distinct memberships and association programs and activities, but share staff. KFCA's member firms provide production inputs and services to producers. KGFA member companies are involved in the transportation, warehousing and merchandising of grain, as well as feed manufacturing. The fee increases proposed in S.B. 843 affect our fertilizer and chemical dealers, as well as our feed manufacturing members. While we have some reservations about increasing program fees to purchase equipment for the Laboratory Division at the Department of Agriculture, we support S.B. 843.

On one hand, adequate and properly functioning equipment is extremely important to the integrity of the programs it serves. But on the other hand as the Department testified before the Senate Ways and Means Committee, the laboratory tests insure product quality and safety for the consumer. KFCA and KGFA believe government public health and safety programs serve the public interest not the regulated community and therefore should be funded with taxpayer money. This proposal is another in a recent series of fees increases on business for programs that serve public health and safety. Increased fees are, for all intents and purposes, a hidden tax on business.

However, we understand the realities of general funding for this purpose and know the equipment is sorely needed. We strongly support the 5-year sunset provisions in the bill since fee increases are not levied on all programs utilizing the laboratory. The sunset insures reassessment of the situation and the need for additional funds in the future rather than another fee fund on autopilot.

S.B. 843 increases the per category fee of a pesticide business license \$12 annually. The average dealership has a two category license. The bill increases the livestock remedy fee \$2 per brand per year. Feed manufacturers register some medicated additives as livestock remedies. The bill also increases the annual feed tonnage tax 0.5 cents per ton. An average a feed facility manufactures between 10,000 and 20,000 ton per year, increasing the tonnage fee between \$50 - 100 per year.

Madam chair and members of the committee, we also ask you to consider amending this bill to address a problem that recently surfaced in the Head House Scale Program, also administered by the Department of Agriculture.

The law requires public grain warehouses to have their head house batch weighing scales certified by the Department. These are the scales at the top of the elevator that weigh the grain as it goes into rail cars. Grain is traded on these weights. Currently, certification is done by Department personnel with state owned equipment. However, the gentleman who has performed this service for the past 20-odd years has retired and the Department is reevaluating whether or not to stay in the business.

They broached KGFA about privatizing this function in a manner similar to the current large scale program. On the surface, we wholeheartedly agree privatization is desirable. A subsequent survey of our membership impacted by this program reinforced our gut reaction. However, upon further investigation, it appears only three companies are currently able perform this function with Department oversight. We do not believe this is adequate competition. Under this scenario, the company who tells the elevator their scale is off, also fixes it. Talk about the fox guarding the hen house.

Things are further complicated because the head house scale program is fee-funded and as the industry has consolidated, the Department has not been able to cover costs at the current statutory fee ceiling. They indicate an increase in the hourly rate from \$50 to \$100 plus a three-hour minimum is necessary.

KGFA requests an increase to \$100 per hour with a three-hour minimum for one year while the industry works with the Department to privatize this program. In fact, we have scheduled a meeting between the Department and all effected parties for May 19 to begin the process. The requested fee increase buys time to work out the details of privitization. A suggested amendment is attached.

Thank you for your consideration. I would be glad to respond to any questions you may have.

Amend K.S.A. 83-214(b), add new (c) and reletter old (c) to (d):

(b) Except as otherwise provided by statute, the secretary, or the authorized representative of the secretary, may charge for services provided by the agency in conjunction with the testing and proving of weights, measures and other devices as provided in subsection (a) at a rate per hour or fraction thereof which is fixed by rules and regulations adopted by the state board of agriculture, except that such charge for services shall not exceed \$50 per hour or fraction thereof. *In the case of the Head House Scale Program, the rate shall not exceed \$100 per hour or fraction thereof with a minimum service time of three (3) hours per call on and after the effective date of this act through June 30, 1995.* In addition to these charges ... to this subsection are collected.

(c) *On or after July 1, 1995 the charge for services shall not exceed \$50 per hour or fraction thereof.*

Testimony of Max L. Foster
Director, Laboratory Division
Kansas Department of Agriculture

Re: SB 843
House Appropriations Committee
April 26, 1994

Good morning Madame Chairperson and members of the committee. I am Max Foster, Director of the Laboratory Division of the Kansas Department of Agriculture.

The purpose of my testimony today is to notify you of the Department of Agriculture's support for this legislation - SB 843.

As you know, this legislation--through a series of fee fund increases--would formally establish a mechanism to systematically replace a number of pieces of analytical equipment at our testing laboratory located at West Sixth Street here in Topeka.

By way of background, our laboratory building was initially constructed in the early 1950's and an addition to the main building was added in the late 1960's. The funding for these construction projects came primarily from the collection of livestock feed and fertilizer fees.

The personnel in our division analyze various types of samples including: meat products, pesticide formulations, livestock feed, dairy products, seeds, fertilizers and pesticide residue samples. We view our analytical work as behind the scenes consumer protection activity because our sample results are used by regulatory officials in two additional divisions in the Department of Agriculture to determine whether the product analyzed is wholesome and meets certain label guarantees. By utilizing the results obtained in our laboratory, regulatory personnel in the Department's Divisions of Inspections and Plant Health can remove potentially unwholesome or mislabeled products from the marketplace, as well as protect Kansans against potential harmful or damaging pesticide misuse.

As the Director of the Laboratory, I am extremely proud of the analytical competence and expertise of our staff. However, with the continued advent of

improved analytical testing, it is getting more and more difficult to maintain effective regulatory oversight because of the age of our equipment. A review of the current list of all items on our inventory at the laboratory discloses that the average age of the items listed is nineteen years old.

The increased revenue generated by this legislation will allow us to replace the instruments we critically need to maintain our current analytical credibility.

For the Committee's information I have enclosed a list of the fees to be increased as well as the percentage of the increase. Please note that only two fee funds are being raised by more than 10%, and one of these is a fee that hasn't been raised since 1982. In addition, I would like to point out a typographical error that is found in line 27 of the bill. The correct amount for the inspection fee should be \$.105 not the \$ 1.05 as listed.

We would like the Committee to know that we are looking into a loan program through the Kansas Developmental Finance Authority to purchase a number of these instruments in FY 1995, and then subsequently repay the loan in future fiscal years through the increased revenue generated by this legislation.

Madame Chairperson and committee members, this concludes my official remarks. I would like to close by inviting the Committee to our laboratory anytime at your convenience for a tour. We are very proud of the work that is accomplished there. Thank you.

KANSAS STATE BOARD OF AGRICULTURE
PROPOSED FEE INCREASE FOR "LABORATORY EQUIPMENT FUND"

DAIRY FEES (KSA 65-708)	DATE OF LAST FEE INCREASE	FEE CEILING	RATE	PER UNIT	PROJECTED NUMBER OF UNITS	REVENUE PROJECTED FY 1995 (FEE FUND)	PROPOSED RATE INCREASE	REVENUE PROJECTED FY 1995 (LAB FUND)	COMMENTS Who pays the fee	REVENUE PROJECTED FY 1996 (LAB FUND)
Manf. Grade Producer	1990	MAX	0.01	100 lb	500,000	5,000	0.001	500	Producer	500
Raw Milk/Manf.	1990	MAX	0.0075	100 lb	2,800,000	21,000	0.0006	1,680	Cheese/Butter Processor	1,680
Product Tax Qrtly	1982	MAX	0.001	GAL	19,000,000	19,000	0.0001	1,900	Processor	1,900
Fund 2002 TOTAL								4,080	PROJECTED INCREASE	4,080

Percentage
For
Increase

10 %
8 %
10 %

GRADE "A" MILK FEES (KSA 65-745)	DATE OF LAST FEE INCREASE	FEE CEILING	RATE	PER UNIT	PROJECTED NUMBER OF UNITS	REVENUE PROJECTED FY 1995 (FEE FUND)	PROPOSED RATE INCREASE	REVENUE PROJECTED FY 1995 (LAB FUND)	COMMENTS Who pays the fee	REVENUE PROJECTED FY 1996 (LAB FUND)
Grade A Producers	1982	MAX	0.01	100 lb	9,800,000	98,000	0.001	9,800	Producer	9,800
Grade A Out of State	1990	MAX	0.01	100 lb	3,400,000	34,000	0.001	3,400	Distributor / Processor	3,400
Milk Grade A Product	1982	MAX	0.01	100 lb	3,200,000	32,000	0.001	3,200	Processor	3,200
Fund 2805 TOTAL								16,400	PROJECTED INCREASE	16,400

10 %
10 %
10 %

SUB-TOTAL DAIRY PROGRAM								20,480	PROJECTED INCREASE	20,480
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FEEDING STUFFS FEES (KSA 2-1001)	DATE OF LAST FEE INCREASE	FEE CEILING	RATE	PER UNIT	PROJECTED NUMBER OF UNITS	REVENUE PROJECTED FY 1995 (FEE FUND)	PROPOSED RATE INCREASE	REVENUE PROJECTED FY 1995 (LAB FUND)	COMMENTS Who pays the fee	REVENUE PROJECTED FY 1996 (LAB FUND)
Feed Stuff Ton./July	1983	MAX	0.10	TON	1,522,500	152,250	0.005	—	Manufacturers/Distributors	7,613
Feed Stuff Ton./Jan	1983	MAX	0.10	TON	1,571,580	157,158	0.005	7,858	Manufacturers/Distributors	7,858
Feed Stuff Audits	1983	MAX	0.10	TON	100,000	10,000	0.005	—	Manufacturers/Distributors	500
Feed Stuff Minimum	1983	MAX	15.00	EACH	1,300	19,500	0	0	Manufacturers/Distributors	0
Fund 2801 TOTAL								7,858	PROJECTED INCREASE	15,970

5 %
5 %
5 %

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LIVESTOCK REMEDIES (KSA 47-501)	DATE OF LAST FEE INCREASE	FEE CEILING	RATE	PER UNIT	PROJECTED NUMBER OF UNITS	REVENUE PROJECTED FY 1995 (FEE FUND)	PROPOSED RATE INCREASE	REVENUE PROJECTED FY 1995 (LAB FUND)	COMMENTS Who pays the fee	REVENUE PROJECTED FY 1996 (LAB FUND)
Livestock Rem. Reg.	1982	MAX	10.00	REG	1,900	19,000	2	3,800	Manufacturers/Distributors	3,800
Fund 2803 TOTAL								3,800	PROJECTED INCREASE	3,800

Percentage
for
Increase

20 %

TOTAL - DIVISION OF INSPECTIONS								32,138	PROJECTED INCREASE	40,250
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CHEMIGATION FEES (KSA 2-3304 c)	DATE OF LAST FEE INCREASE	FEE CEILING	RATE	PER UNIT	PROJECTED NUMBER OF UNITS	REVENUE PROJECTED FY 1995 (FEE FUND)	PROPOSED RATE INCREASE	REVENUE PROJECTED FY 1995 (LAB FUND)	COMMENTS Who pays the fee	REVENUE PROJECTED FY 1996 (LAB FUND)
Chemigation Permits	1986	MAX	50.00	PERMIT	585 *554	29,250 0	5	*(part year) 2,770	Farmers & Farm Corps.	2,925 (full year)
Fund 2194 TOTAL								2,770	PROJECTED INCREASE	2,925

10 %

PESTICIDE USE (KSA 2-2440 b)	DATE OF LAST FEE INCREASE	FEE CEILING	RATE	PER UNIT	PROJECTED NUMBER OF UNITS	REVENUE PROJECTED FY 1995 (FEE FUND)	PROPOSED RATE INCREASE	REVENUE PROJECTED FY 1995 (LAB FUND)	COMMENTS Who pays the fee	REVENUE PROJECTED FY 1996 (LAB FUND)
Business Lic Apps	1988	MAX	100.00	LICENSE	1,525 *1,490	152,500 0	12	*(part year) 17,880	Lawn Care/Comm. Ag Appl/ETC	18,300 (full year)
Fund 2804 TOTAL								17,880	PROJECTED INCREASE	18,300

12 %

TOTAL - DIVISION OF PLANT HEALTH								20,650	PROJECTED INCREASE	21,225
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TOTAL REVENUE PROJECTION FOR 'LAB EQUIPMENT FUND'								FY 1995 52,788	FY 1996 61,475
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HOUSE COMMITTEE ON APPROPRIATIONS

April 26, 1994

TESTIMONY PRESENTED BY SUSAN SELTSAM
SECRETARY OF ADMINISTRATION

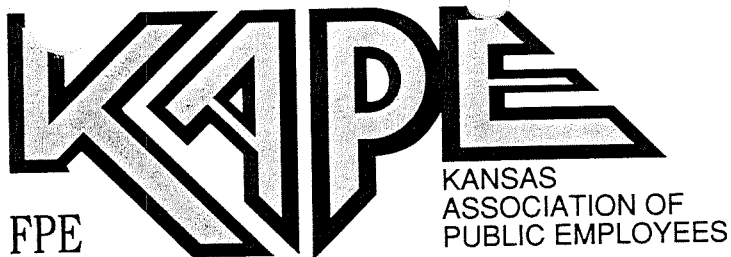
Senate Bill No. 824 is an integral piece of the Governor's proposed pay package for state employees. The bill provides for the final 2 stages of the Comprehensive Classification and Job Rate Study (CCJRS). A large group of state employees have waited many years for their job classes to be studied and their salaries to be adjusted to market rates. Over 8,000 state employees will benefit from the reclassification funded by Senate Bill 824.

The bill also clarifies that longevity payments are a bonus, which is the way the State has budgeted for and treated longevity payments since their inception. It should be pointed out that the bill before you does not make longevity bonuses subject to appropriation. The bill as passed by the Senate eliminated that provision. Permanent part-time employees will benefit from the bill because their length of service will no longer be prorated. For example, an employee working 50% time would now earn a longevity bonus after 10 years rather than 20 years under current law.

Finally, the bill contains an important policy issue regarding payment of overtime and counting paid leave time towards over time thresholds. This issue was identified in a recent K-GOAL audit of Department of Administration. In effect, taxpayers are having to pay a certain group of state workers at time and a half for vacation, holiday and other paid leave. By eliminating this provision which exceeds the requirement of federal law (FLSA) savings of up to \$4.0 million in overtime costs may be realized and would help fund a general pay plan increase for all state employees.

The Governor and the Department of Administration strongly support this change in overtime policy and consider it an important element of the pay plan package which includes a general pay plan increase of 3%. A general increase provides a benefit to all employees as opposed to variable amounts of overtime compensation which benefit only a few.

I urge your favorable action on Senate Bill 824 and would be pleased to stand for questions.



1300 South Topeka Avenue Topeka, Kansas 66612 913-235-0262 Fax 913-235-3920

Testimony of Paul K. Dickhoff, Jr.
Director of Negotiations
The Kansas Association of Public Employees
In Opposition to Senate Bill 778

Members of the committee, good afternoon. I appreciate the opportunity to appear before you today on behalf of KAPE to speak in opposition to Senate Bill 778.

While KAPE has several reasons for being opposed to this bill, perhaps the best place to begin is with an example of how this bill would impact state employees. Under current Department of Administration regulations and the Federal Fair Labor Standards Act, the state can require employees to work any number of hours in any given work day without incurring any liability for the payment of overtime. The state need only make sure that the employee does not work in excess of 40 hours in the established work week. For example, the standard 8 hour employee could be required to stay home Monday and Tuesday, and then be required to work 14 hours Wednesday, 12 hours Thursday, and 14 hours Friday without having earned one penny in overtime pay. As stated earlier, that situation can happen currently and Senate Bill 778, whether passed or not will have no impact on that situation. This bill if passed, however, will have an even greater negative impact on state employees.



Assume in my earlier example that the employee was on vacation or sick leave on Monday and Tuesday, and when they returned were required to work 14 hours on Wednesday, 12 hours on Thursday, and 14 hours on Friday. Again in this example, and despite the fact that the employee has 56 hours of accountable time on the books for the week, they would again not be entitled to one penny of overtime pay under this bill.

To date, KAPE has not taken issue with agency administrators over their need to periodically adjust the work day to respond to special circumstances. A portion of this posture is directly attributable to the state's liberal application of the Fair Labor Standards Act as contained in the current regulations which this bill would effectively abolish. It would appear that our past cooperative efforts on this issue may now be paying negative dividends.

In addition, there are other concerns which KAPE has over this bill. As the certified employee bargaining representative of approximately 15,000 state employees, KAPE is concerned about the impact of this bill on the employment contracts currently in effect between KAPE and the state of Kansas regarding those employees. To the extent that those contracts adopt by reference the provisions of the current regulations, it appears that the bill, at lines 22, 23, and 24, would serve to negate those negotiated agreements. KAPE would view this as a circumvention of the rights it acquired under the provisions of the Kansas Public Employer Employee

Relations Act. (K.S.A. 75-4321 et seq.)

Finally, KAPE is of the opinion that the Fair Labor Standards Act requires all employers under its jurisdiction to pay for overtime worked in the form of real dollars rather than by compensatory time except under limited circumstances. Those circumstances require the existence of a pre-employment agreement between the employer and the employee wherein the employee is made aware that the employer has a policy of paying for overtime through the use of compensatory time rather than by financial compensation. That requirement is then tempered by language that acknowledges the fact that employees may be represented by a labor organization, and if so represented, the only acceptable agreement is one entered into between the employer and the employee representative.

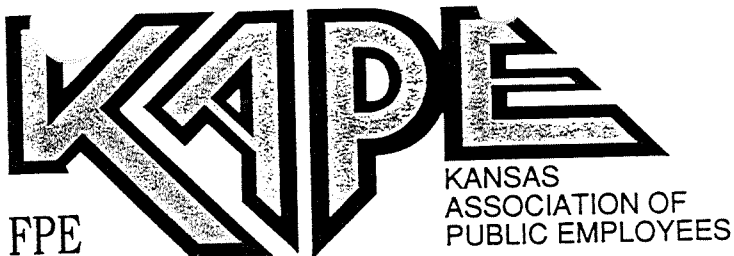
To my knowledge, no such agreement is currently in existence, and I would speculate that with passage of Senate Bill 778, it would become very difficult for our membership to approve of such an agreement. The result being that in accordance with the rights granted to them under the FLSA they could demand cash payment rather than compensatory time payment for any overtime required of them. Violations of those rights have been, and would continue to be, the subject of costly law suits which threaten the financial stability of the state. Very obviously, such a condition would constrict administrators in their assignment of overtime duties, and further strain on the state's financial picture serves no one's interests. If the employees chose to exercise that right there would be very little that KAPE or the legislature could do to

remedy those mutually undesirable ends.

It appears to KAPE that the best solution to this problem would include; (1) the retention of the current regulations governing the payment of overtime compensation, (2) application of the regulations in a manner which does not violate the Federal Fair Labor Standards Act and, (3) the improvement of the relationship between the state and the employee's elected union representation. KAPE, as the largest such union, recognizes the need to work cooperatively with state administration to remedy these problems in an atmosphere of mutual respect. While bilateral problem solving, quality circles, win-win bargaining, and shared governance are becoming the norm internationally, they are virtually non-existent in Kansas state employment. If we are not included in the fashioning of solutions, we are placed in the posture of reacting to unilateral decisions negatively when those decisions negatively affect our members.

KAPE desires not to be an adversary, but a partner with the state in the resolution of the complex problems facing state government and its employees. Passage of Senate Bill 778 would be a destructive step backward in the development of such a relationship.

I appreciate the opportunity to share these concerns with the committee and I would be happy to attempt to answer any questions you may have.



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Testimony of Myrlene Kelley

Executive Director, Kansas Association of Public Employees

In support of

House Bill 2952

COLA Bill

Distinguished members of the committee, good afternoon. My name is Myrlene Kelley and I appreciate the opportunity to appear here today in behalf of the Kansas Association of Public Employees. The terms of the bill:

- ▣ 4.5 % COLA for current state employees
- ▣ 2.7% COLA for retired state employees, and
- ▣ a one-time 2.5 % bonus payment for those on the O-level
(top of their pay range)

I would first like to begin with a few statistics:

- 1) A state employee in Garden City on range 19, step D qualifies for food stamps.
 - 2) Another state employee working for the Department of Wildlife and Parks, who is supporting three children, also qualifies for food stamps.
- This is not an uncommon story.



3) In the United States 26 million children are now fed by food stamps. Kansas state employee children are becoming an increasing part of this population.

4) The actual purchasing power of each \$1000 state employees earned in 1989 has shrunk to \$932 in 1993. That is \$1224 on an \$18,000 salary. In other words, over \$100 per month. (see sheet #1)

5) Since 1989, COLA adjustments have totalled 2.5 percent while inflation has totalled 15.7 percent--a difference of 13.2 percent that state employee pay has not been fairly adjusted for inflation over the past four years. (see #2)

6) Step increases plus COLAs received since 1989 have totalled 18 percent. While state employee purchasing power has reduced 21% since 1989. (see #3, #4)

Now enough for the statistics. Numbers often do not reveal the real personal trauma employees face everyday. State employees qualifying for food stamps is a dire situation indeed. State employees should receive a reward for long-term service with the state. Instead, they are being penalized with less than fair compensation.

Employees have traditionally received step increases, if eligible, in addition to any approved COLA increase. Step increases are designed to provide employees with career path growth opportunities. In other words, an employee can see that their continued faithful service to the state will be rewarded by the step system of income growth potential. While steps certainly transfer to more money for state employees, their purpose is definitely lost when COLA increases lag so painfully behind the rate of

inflation. COLA increases should at the very least offset inflation so steps can fulfill their intended purpose of granting employees the financial progress which accompanies long-term loyalty to an employer. Without the past funding of step increases, state employees would be in financial ruin.

When compared with other states, Kansas state employees pay falls painfully short.

House Bill 2952 would give state employees a 4.5 percent COLA, a 2.7 percent retiree COLA, and a 2.5% one-time bonus payment for those at the top of their pay range. We do not feel these requests are unreasonable, nor out of line with current needs, and I do want to stress needs not wishes or desires.

Retirees' checks, currently do not account for the inflationary rate. The request for a 2.7 percent would help compensate those who were dedicated state employees with fair retirement checks.

Also, this bill would give long-term, loyal employees who have reached the top end of their pay scale, a 2.5 percent one-time bonus payment, to compensate for their lack of a step increase. It is possible for a state employee to remain on the top step for 15-20 years without receiving a COLA or a raise.

With House Bill 2952, state employees are fighting for fairness, and to put food on their family's table. I urge you not to continue the unfair

treatment and neglect witnessed in the past legislative sessions. As one member voiced to me, she said that "working for the state of Kansas does not make her a rich person, and that if current conditions continue, the state will not only lose many good, honest employees, but they will be discouraging hard-working, motivated people to view working for the state as a wise career choice."

For years state employees have stood by and watched other public occupations receive higher COLAs and higher pay raises. This bill would attempt to bring parity between other public occupations and state employees. A professor at KSU voiced his dismay this morning after reading the headlines stating that the faculty pay hike passed the Senate Ways and Means Committee entitling them to a 7% increase for first-year faculty. He was surprised that they would receive another hike when state employees were not keeping up with the rate of inflation.

I, as the executive director for KAPE, the largest public employee union in Kansas representing nearly 15,000 employees in our various statewide bargaining units, urge you, as legislators of the state of Kansas, to do the right and fair thing. Show state employees that their work is valued and compensate them accordingly.

I thank you for your time and the opportunity to appear before your committee.

Shrinking of State Employee Purchasing Power

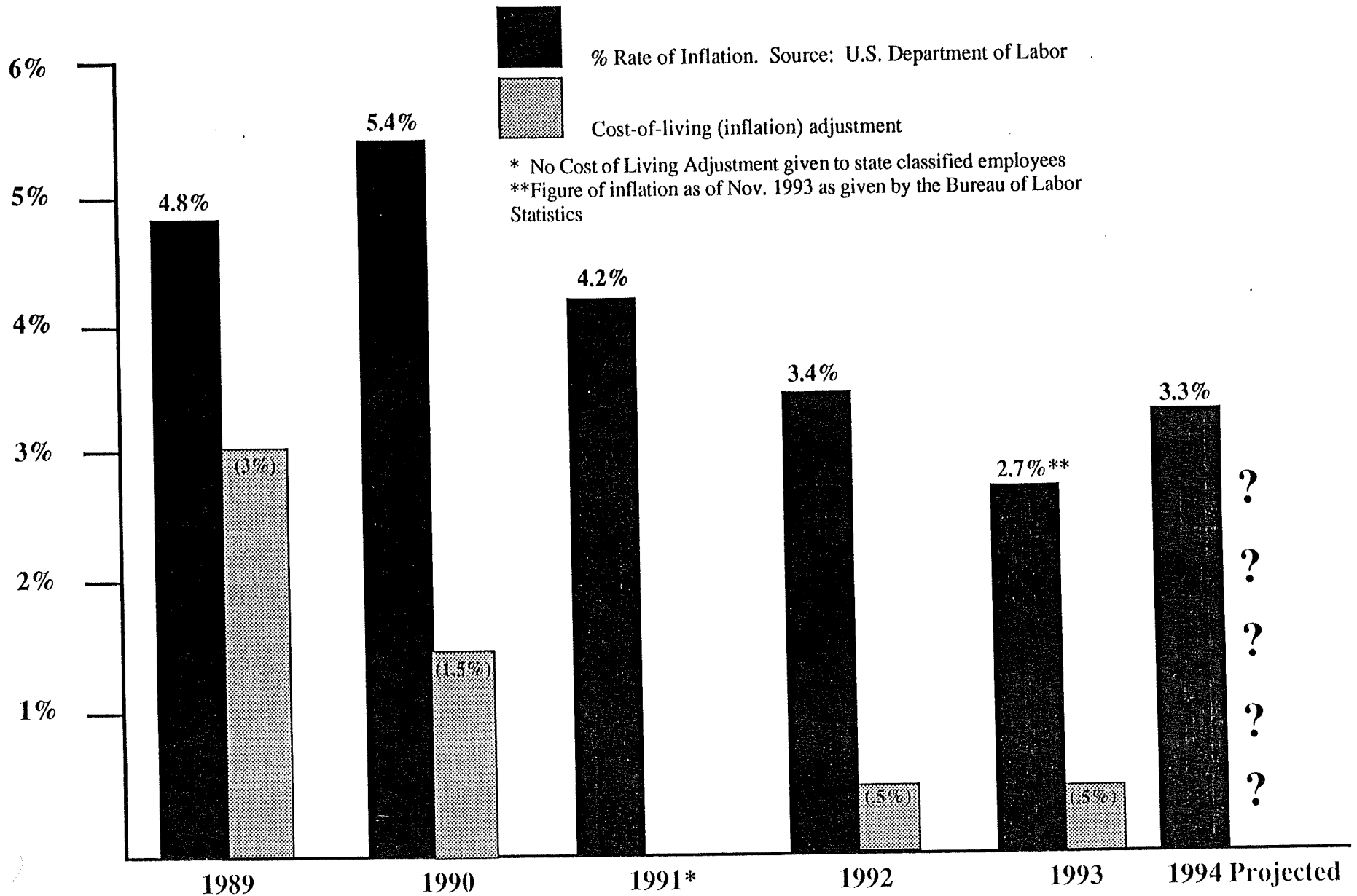
For each \$1000 that state employees earned in 1989, they are earning only \$932.20 of that \$1000 in 1993. (see below)

\$1000 (purchasing power in 1989) + 18% (total COLA and step increases since 1989) = \$1180

\$1180 - 21% (inflation since 1989) = -\$247.80 =
\$932.20 (purchasing power in 1993)

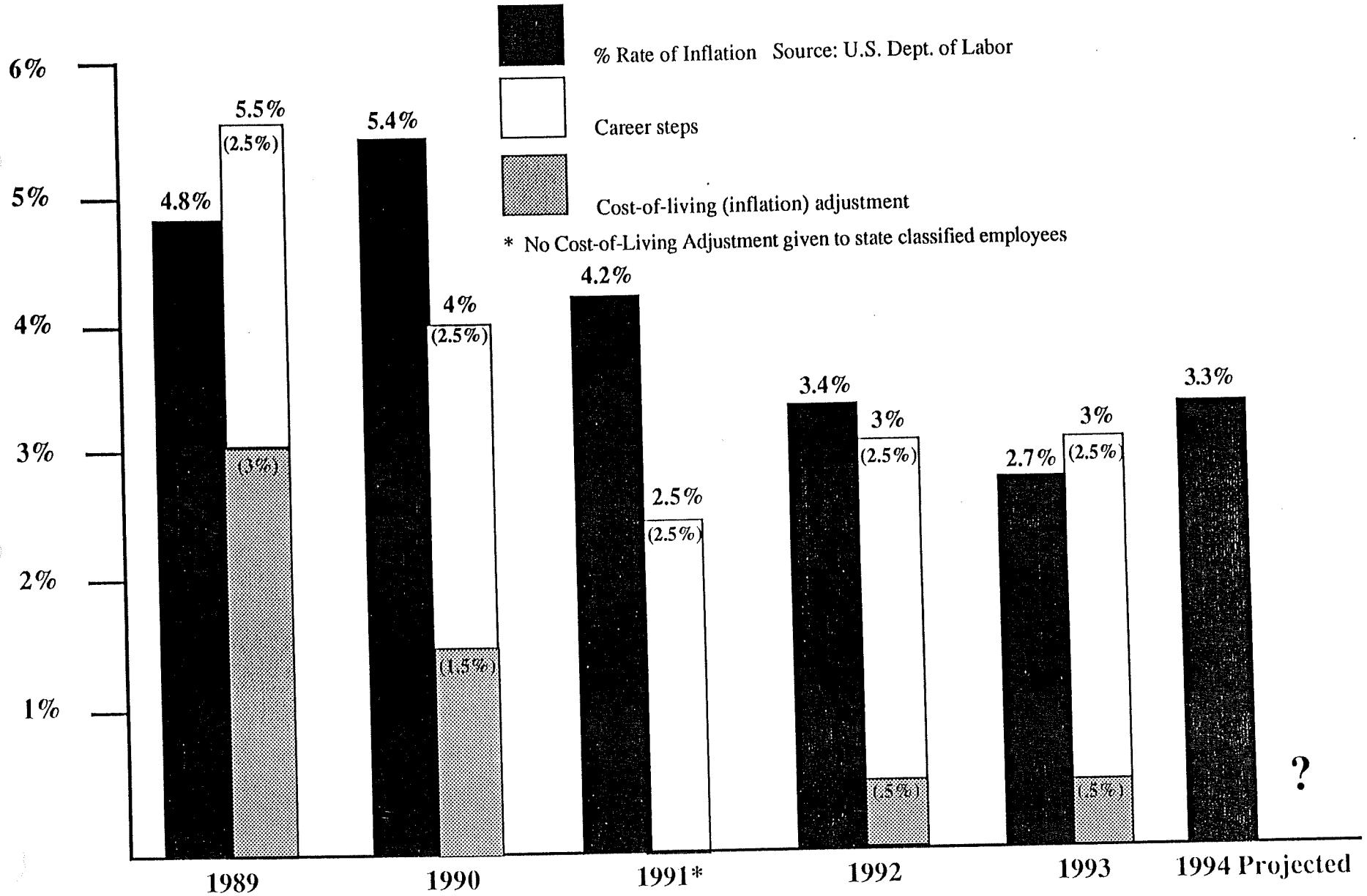
\$1000 + Raises - Inflation = \$932

Inflation vs. Kansas State Employee Cost of Living Adjustments

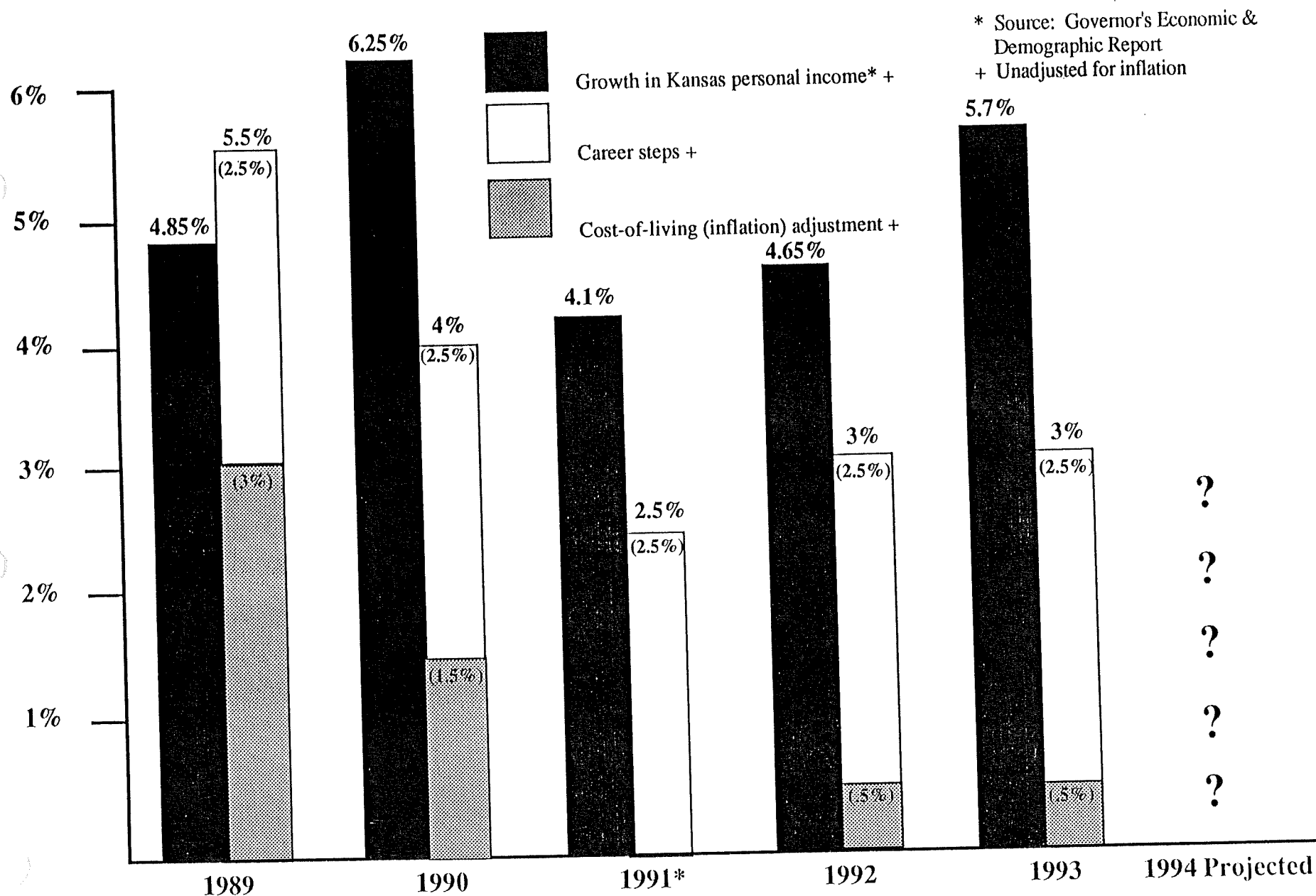


7-6

Inflation vs. Kansas State Pay Increases (Steps + COLA)



Growth in Kansas Personal Income vs. Growth in Kansas State Personal Income (Steps + COLA)



REVISOR CONFLICT RESOLUTION AND TECHNICAL BILLS

RS

- 2678 This bill reconciles differences in 79-32,176 resulting from its multiple amending by H2687 and H3028, both of which were signed by the governor. The section concerns income tax credits for disabled persons making property accessible to such persons.
- 2682 Relating to successors to the office of governor; repealing amendments contained in another bill.
- 2684 The first two sections of 3 RS 2684 resolve the conflict in the two agriculture bills concerning corporate swine production and corporate dairy production (K.S.A. 1993 Supp. 17-5903 and 17-5904). The third section resolves a conflict concerning the statute relating to the confidential file of a business entity (K.S.A. 1993 Supp. 17-7515).
- 2686 Cures conflict of K.S.A. 8-134a in House Sub. for Senate Bill No. 191--registration of recreational vehicles and House Bill No. 2694--changing terminology of statutes relating to fleet registration of vehicles from proportion to apportioned.
- 2687 Cures conflict of K.S.A. 40-19c09 in House Bill No. 2632--application to medicaid eligibility and coverage and Sub. for Senate Bill No. 84--choice of pharmacy providers.
- 2688 Reconciling various amendments to the Kansas Parimutuel Racing Act.
- 2689 K.S.A. 1993 Supp. 79-201a was amended: (1) by H.B. 2774 to provide an exception for property leased by a municipality to be used in providing medical services; and (2) by H.B. 2555 to limit certain retail operations from eligibility for exemption from taxation of property purchased or constructed with industrial revenue bonds. This bill reconciles the two amendments.
- 2690 Cures conflict of K.S.A. 8-243 in House Bill No. 2645--drivers' licenses issued to persons under age 21 shall be readily distinguishable, not necessarily photo color background and House Bill No. 2490--anatomical gift statement on drivers' licenses.

RS

- 2692 Reenactment of certain statutes from a 1988 bill concerning the operation of motor vehicles. This bill contained a printing error. All other sections of the bill have been amended or repealed since 1988.
- 2694 K.S.A. 1993 Supp. 79-5101 was amended: (1) by S.B. 191 to provide a new system of fixing recreational vehicles and (2) by S.B. 483 to reconcile two amendments to the statute from previous years. This bill reconciles the amendments by S.B. 191 and 483.

APPROPRIATION BILLS VETOED BY GOVERNOR

Agency	Bill	Amount Vetoed	Description of Item Vetoed
Adjutant General	S.B. 585	\$ 4,500	FY 1995 State Budget Stabilization Fund moneys for federal match for radio equipment.
Aging, Department on	S.B. 633	22,161	FY 1995 State Budget Stabilization funding for one-time hold harmless funding to Area Agencies on Aging which lost funding due to population shifts
Corporation for Change	S.B. 633	100,000	FY 1995 -- \$100,000 from the State General Fund for Corporation for Change operating expenses
		100,000	FY 1995 -- \$100,000 transfer from State Budget Stabilization Fund to Family and Children Investment Fund for study of the Family Agenda
Corrections, Department of	S.B. 585	0	FY 1995 Veto of newly-created fund to receive Title IV-E federal fund, if any are available, for juvenile offender community services.
Emergency Medical Services Board	S.B. 585	100,000	FY 1995 State Budget Stabilization Moneys for Statewide 800 Megahertz Communication System
Kansas Commission on Veterans Affairs	S.B. 633	20,000	FY 1995 State budget Stabilization Fund for capital outlay and capital improvements at the Kansas Soldiers Home
Kansas Lottery	H.B. 2731	1,808,130	FY 1995 transfer to State Gaming Revenues Fund
Legislative Branch Agencies	H.B. 2652	98,153	FY 1995 Legislative Branch equivalent of the Comprehensive Reclassification and Job Rate Study for the Executive Branch. The funding for the legislative agencies was from the State General Fund.
Parsons State Hospital	H.B. 2759	17,000	FY 1995 State Budget Stabilization Fund -- moneys for computer upgrade
Regents, Board of -- Systemwide Funding	S.B. 590	12,400,000	FY 1995 operating expenses in two line items for Regents institutions (\$7.0 million and \$5.4 million)

Agency	Bill	Amount Vetoed	Description of Item Vetoed
Social and Rehabilitation Services, Department on	S.B. 585	450,000	FY 1995 appropriation of \$400,000 from the State General Fund and \$50,000 from the Budget Stabilization Fund to state operations for conversion of the Comprehensive Screening Unit at Topeka State into a transitional diagnostic and treatment center for juvenile offenders.
		750,000	FY 1995 Appropriation of \$750,000 from the State General Fund for youth center aftercare, to be contracted by SRS to the Department of Corrections
Social and Rehabilitation Services, Department on	H.B. 2759	2,381,771	FY 1995 Kansas social service information system project fund, and section 2(f) making the transfer of \$2,381,771 from the SBSF to this fund for the first phase of the KSSIS project. Also, line-item for information systems plans project fund.
State Corporation Commission	S.B. 556	0	FY 1994 State Budget Stabilization Fund Transfer of \$150,000 for Well Plugging Activities and FY 1995 Payback of \$150,000 by the Agency for the Transfer in S.B. 679
Winfield State Hospital	H.B. 2759	57,690	FY 1995 State Budget Stabilization Fund -- automated timekeeping system
TOTAL		<u>\$ 18,309,405</u>	

OTHER BILLS VETOED

That were Included in the Omnibus Bill

<u>Agency</u>	<u>Bill</u>	<u>Amount Vetoed</u>	<u>Description of Item Vetoed</u>
Kansas Inc.	S.B. 639	\$ 0	Labor force studies. House and Senate have included \$300,000 from the EDIF in FY 1995 in the Omnibus bill to implement S.B. 639.