MINUTES OF THE SENATE COMMITTEE ON COMMERCE.

The meeting was called to order by Chairperson Senator Karin Brownlee at 8:30 a.m. on March 05, 2001 in Room 123-S of the Capitol.

All members were present except:

Senator Brungardt (Excused)

Senator Jordan (Excused) Senator Wagle (Excused)

Committee staff present:

April Holman, Legislative Research Department

Bob Nugent, Revisor of Statutes

Lea Gerard, Secretary

Conferees appearing before the committee: Barb Reavis, Work Force Development Coordinator Phil Harness, Director Workers Compensation, HR

Fred Lucky, Kansas Hospital Assoc.

Jim Keating, President Kansas State Fire Chiefs Assoc.

David Lake, Administrator-EMS

Kathy Greenlee

Others attending:

See attached sheet.

Barb Reavis, Workforce Development Coordinator, provided an answer to Committee members regarding a question asked at a January 30, 2001 Commerce meeting of where the frequently stated "\$400 million for workforce investment in Kansas" was and how it was being used (Attachment 1). Barb Reavis stated there was not \$400 million for workforce development in Kansas and that the total estimated funding for Year 2001 is \$261,279,154.

In response to a Committee question, Barb Reavis stated that the Legislative Research Department had not reviewed this document to reconcile the differences. She stated she had talked with SRS about what the difference was and they did not have a sense of where anyone would have come up with the \$200 million. Senator Barone asked if this amount could be reconciled.

Senator Brownlee requested that Barb Reavis provide the committee with the agencies results on their outcome measures and a clear understanding of SRS's Department totals from KWIP's Research 2001 and the Legislative Research 2000.

Senator Steineger moved, seconded by Senator Emler, that the minutes of February 15 and 20, 2001 be approved. The vote was unanimous in favor of the motion.

April Holman, Legislative Research Department, briefed the committee on the change in HB 2004 stating the date to submit budget estimates will change from July to October 1 of each year.

Senator Steineger made a motion to pass HB 2004 favorably and place on the consent calendar. Seconded by Senator Barone. The vote was unanimous in favor of the motion.

Hearings on HB 2301:

Phil Harness, Workers Compensation Director, testified in support of **HB 2301** stating it is a compilation of recommendations to amend the Workers Compensation act passed by the Workers Compensation Advisory Council. The amendments would require that volunteers be paid benefits based on the state's average weekly wage until the physician releases the injured worker to return to work (Attachment 2).

Fred Lucky, Vice President, Kansas Hospital Association, testified in support of HB 2301 stating the bill addresses the volunteer fire and emergency response units and provides equitable treatment under the state's worker's compensation provisions.

Mr. Luckey submitted amendments to <u>HB 2301</u> to make the bill stronger and more acceptable for providers. On Page 2 and 10, Lines 1 and 25-26 respectively is a change to "first responders" from "ambulance attendants". The term "so long as reasonable" found on Page 7, Line 9, substituting "and customary" to make the bill's language consistent with that which is used in the area of health insurance. The last recommendation are the terms "usual charge" and "customary charge" be defined in regulation as recommended by the balloon language on Page 5, after Line 18 (<u>Attachment 3</u>).

Jim Keating, President Kansas State Fire Chiefs Association, testified in support of <u>HB 2301</u> stating it is important to give assurance to emergency volunteers that they will be compensated at a fair rate if injured and not penalized for volunteering their time to their communities (<u>Attachment 4</u>).

David Lake, Administrator Emergency Medical Services, testified in support of <u>HB 2301</u> stating while it happens infrequently, emergency volunteers do get hurt and under the present law, reimbursement is based on the very minimal amount of pay. The Board of Emergency Medical Services recommends to amend the current language on Page 10, Section (6) (A), Line 26 into Line 27, and replace "emergency medical technician, mobile intensive care technician with the following: emergency medical services attendance as referenced in section 65-6112 (d)" (Attachment 5).

In response to a question from the Committee, David Lake stated the current staffing of an ambulance requires two attendants, which would mean two people that are at some level in this five category, one of whom has to be an EMT in the compartment with the patient, second attendant must be at least a first responder. There is some confusion over the regulation or law in that it does not require any kind of training for the driver. If the driver is not certified under current language, they will not be covered by this bill.

A request was made by the committee that David Lake would work with Bob Nugent, Revisor of Statutes, to propose language in **HB 2301** that would cover all emergency volunteer personnel.

Kathy Greenlee, General Counsel, Kansas Insurance Department, testified in support of **HB 2301** (Attachment 6).

In response to a question of increases to Workman's Comp rates for the cities, Kathy Greenlee stated that on the House side there was opposition from the Kansas League of Municipalities. The League expressed concern for their pool that they may not be able to absorb the rate increase because there is a cap on the amount that they can recover from their cities and counties; however, that is the only pool that has voiced any opposition.

Kathy Greenlee will provide committee members with information regarding Workman's Comp rates for the cities and contact the Kansas League of Municipalities to come and testify before the Senate Commerce Committee.

Terry Humphrey, Executive Director Kansas Trial Lawyers Association, presented written testimony in support of **HB2301** (Attachment 7).

Jason White, KEMSA presented written testimony in support of HB 2301 (Attachment 8).

Meeting adjourned at 9:30 a.m.

Next meeting scheduled March 06, 2001 at 8:30 a.m.

SENATE COMMERCE COMMITTEE GUEST LIST

DATE: MARCH 05, 2001

NAME	REPRESENTING
Die Farrell	BOEING
Barb Reavis	KWIP
Randy Fisher	1600
Jeff Po Henders	punsus Sherifts
Muly Shaw	ALLTEL
Phil Harres	KDHR- Div. of Work. Songe
FRED LACKY	KANSAS HOSPITAL ASSN.
plant Moore	KDOCÉH
Lave Le	Kans. Bd. of EMS
Jason White	Kans EMS Assc.
Sandia Hazlett	1RS
and for Grow	Federico Consulting
LARRY MIGHL	KAIN
Stewlade	KATIR
BarbCoxant	Ks TRial Lawyers Assoc.
Kain Basare	Hein/wein chita
Julie Hein	Hoing War, Chid.
Ja Scor	525
Teremy Anderson	KS Insurance Dept.
Katty Greeles	KS Insurance Dept. KS Insurance Dept.
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Bill Graves, Governor



Gary Sherrer, Lt. Governor

Ken Bell, KWIP Chair

Senate Commerce Committee
Testimony on Employment and Training Programs
Funding and Performance Measures
Monday, March 5, 2001

By Barb Reavis, Workforce Policy Liaison Office of Governor Bill Graves

Madam Chair and Committee Members:

I appreciate the opportunity to come again to answer questions you and the Kansas Workforce Investment Partnership (KWIP) Council have had. The KWIP Leadership Team recognized that to be effective as an advisory board, KWIP had to become more familiar with the programs involved in employment and training in Kansas. In addition, we were as curious as you were about where the frequently stated "\$400 million for workforce investment in Kansas" was and how it was being used.

I'm here today to tell you that there isn't \$400 million for workforce investment in Kansas. The first document in the packet in front of you is the information provided last year by Legislative Research, which showed \$357 million in 1999, \$266 million in 2000 and \$261 million in 2001. This document served as a starting point for the current effort.

Senate Commerce Committee

March 5,2001

Attachment 1-1

Please follow me to the next document, the spreadsheet titled "Employment and Training in State Agencies, Funding Streams." This is laid out in the same order as the first document and contains those figures in columns E and F, labeled "Legislative Research 2000." You may notice the totals in these columns on Line 61 are actually different from the original. We discovered the sub totals from Commerce and Housing had been omitted from the Legislative Research (All Funds) Total. So the totals on our spreadsheet are higher.

Columns B and C, titled "KWIP Research 2001," represent the current information provided by the agencies or by the Division of the Budget. On close examination you will see that some are very near to Legislative Research's figures, some are quite different. There are only a few that are so unlike as to draw attention and contribute to the dramatic change in the total. Those include:

- Line 16 Trade Adjustment Assistance
- Line 24 Offender Programs
- Line 32 Community Service Block Grant that goes directly to non-state agencies
- Line 36 around \$200 million attributed to KansasWorks
- Lines 48-50 having to do with Vocational Education
- Lines 54-55 having to do with Adult Basic Education

The bottom line for all this is a difference between the adjusted total from last year's Legislative Research downward by \$152.9 million to \$119.7 million in state agency programs for employment and training in Kansas.

Next, please focus your attention on the table labeled "Employment and Training Program Descriptions with Outcome Measures Defined." This table is laid out in the same order as the spreadsheet and is provided in part to help explain the diversity and complexity of the employment and training programs in state agencies in Kansas.

The column labeled "Outcomes Measured" is included in response to questions raised several weeks ago in this committee. Although some agencies submitted their actual results for their past quarter or past year to us, in the interest of simplicity and consistency, this table includes a simple list of measures used to demonstrate results. Most of those measures are set by statute or negotiated within implementation plans prior to receiving funds from the federal government.

The good news is now we know how much money, where it comes from, and on what we are spending within State agencies on employment and training. This will serve as a good foundation as we concentrate on building the best workforce investment system we can for job seekers and employers. What is less heartening is that within these multiple programs, little or no flexibility

exists for how program funds can be used. Nearly all are dedicated to specific populations. Doing anything different with the funds will result in loss of the funds.

I am glad to respond to questions. In addition, I believe most of these agencies are represented here today and can respond to your needs for more specific, detailed information.

Thank you for your interest in this topic and allowing me to return to talk to you about employment and training programs in Kansas.

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Workforce Development Funding Sources in the State of Kansas

Agency/Program	Funding Source	FY 1999 Actual	FY 2000 Estimate	FY 2001 Estimate
Department of Human Resources				
Alien Labor Certification Program	Federal	\$75,100	\$80,809	\$82,500
Apprenticeship Program	SGF	\$89,600	\$85,704	\$86,938
Disabled Veterans Outreach Program	Federal	\$590,000	\$633,000	\$646,000
Job Service	Federal	\$5,834,967	\$6,612,331	\$6,612,062
Job Training Partnership Act	Federal	\$14,199,294	\$14,620,575	\$12,647,817
Kansas Occupational Information Coordination Committee	Federal	\$87,519	\$113,906	***
Local Veterans Employment Representative Program	Federal	\$978,000	\$983,000	\$1,003,000
Neighborhood Improvements and Youth Employment Act	SGF	\$73,139	\$150,000	\$100,000
North American Free Trade Agreement - Transitional Adjustment Assistance Program	Federal	\$124,474	\$125,000	\$125,000
Older Kansans Employment Program	SGF	\$235,759	\$256,561	\$257,881
Senior Community Service Employment Program	Federal	\$932,020	\$900,067	\$900,000
The Trade Act of 1974	Federal	\$153,911	\$172,155	\$175,000
Wagner-Peyser Monitor Advocate/Migrant and Seasonal Farm Worker Outreach	Federal	n/a	n/a	n/a
Wheat Harvest Program	Penalty and Interest Fund	\$49,980	\$57,200	\$57,200
Work Opportunity Tax Credit	Federal	\$130,613	\$121,092	\$123,500
Department Total		\$23,554,376	\$24,911,400	\$22,816,898
Department of Corrections				
Correctional Education Programs		\$4,480,544	\$4,435,544	\$3,212,728
Department Total		\$4,480,544	\$4,435,544	\$3,212,728
Department of Commerce and Housing				
Investments in Major Projects and Comprehensive Training (IMPACT)	Bond Issuance	\$11,461,279	\$11,000,000	\$4,000,000
Kansas Industrial Training (KIT)/Kansas Industrial Retraining	EDIF	\$3,803,869	\$3,600,000	\$3,300,000
Training Equipment Grants	EDIF	\$262,674	\$300,000	\$277,500
Community Services Block Grant Programs	Federal Fund	\$4,267,500	\$3,826,280	\$3,828,204
Department Total		\$19,795,322	\$18,726,280	\$11,405,704
Department of Social and Rehabilitation Services				· _
Kansas Works Initiative		\$222,200,000	\$216,300,000	\$214,100,000
Kansas Rehabilitation Services		\$24,271,300	\$18,180,205	\$18,747,402
Department Total		\$246,471,300	\$234,480,205	\$232,847,402

Agency/Program	Funding Source	FY 1999 Actual	FY 2000 Estimate	FY 2001 Estimate
Department of Education				¥
Kansas Transition Systems Change Project	Federal	\$16,617	\$0	\$0
Learn and Serve America and	Federal	\$229,048	\$249,154	\$250.357
Americorps	Federal	\$713,185	\$611,687	\$612,960
Adult Education	Federal/ SGF	\$1,000,000/ \$2,561,596	n/a	n/a
Community Colleges	Federal/ SGF/ Local	\$58,806,246 SGF \$2,000,000 SBSF	n/a	n/a
Area Vocational Technical Schools and Technical Colleges	SGF/EDIF	\$18,865,924/ \$9,896,494	п/а	n/a
School to Careers	Federal	\$926,482	\$0	\$0
Tech. Prep.	Federal	\$1,063,819	\$1,085,253	\$1,085,949
Kansas Competency Board Curriculum Center (Washburn)	Federal	\$281,785	\$288,438	\$302,860
Non-traditional Occupations	Federal	\$1,089,746	\$161,477	\$150,000
Department Total	8	\$82,992,852	\$2,396,009	\$2,402,126
TOTAL WORKFORCE DEVELOPMENT FUNDING (All Funds)		\$357,499,072	\$266,223,158	\$261,279,154

This is a very rough estimate of workforce development expenditures. Some items are incomplete for the following reasons:

1. There is no estimate for some of the education items because the programs no longer exist or they have been shifted with the reorganization of the regents system and are not easily identifiable.

2. Some items are not identified as SGF, federal or other funds because the split was not yet easily identifiable.

Kansas Legislative Research Department

April 27, 2000

#31861.01(4/27/0{11:26AM})

Employment and Training in State Agencies Funding Streams

Α	В	С	D	E	F	G
1 Program Name	KWIP Rese	earch 2001		Legislative Re	esearch 2000	Funding
2	2000	2001		2000	2001	source
3 Department of Human Resources						
4 Alien Labor Certification-KDHR	206,498	158,000		80,809	82,500	US DOL
5 Registered Apprenticeship Program-KDHR	90,137	84,326		85,704	86,938	SGF
6 Disabled Veterans Outreach-KDHR	620,457	620,000		633,000	646,000	US DOL
7 Job Service-KDHR	6,000,000	6,500,000		6,612,331	6,612,062	US DOL
8 Job Training Partnership Act-KDHR	15,200,000	discontinued		14,620,575	discontinued	US DOL
9 Workforce Investment Act-KDHR	121,736	12,647,817		0	12,647,817	US DOL
10 Kansas Occupational Info Coord. CommKDHR	142,923	0		113,906	0	US DOL
11 Local Veterans Employment-KDHR	994,049	1,000,000		983,000	1,003,000	US DOL
12 Neighbor. Improve.and Youth EmployKDHR	102,181	100,000		150,000	100,000	SGF
13 NAFTA Transitional Adjustment-KDHR	141,718	150,000		125,000	125,000	US DOL
4 Older Kansas Employment Program-KDHR	243,437	230,358		256,561	257,881	SGF
15 Senior Community Services Employment-KDHR	984,133	1,039,000		900,067	900,000	US DOL
16 Trade Adjustment Assistance-KDHR	582,492	900,000		172,155	175,000	US DOL
17 Migrant & Seasonal Farmworker Programs			grants to non-state			US DOL
18 Wheat Harvest Program-KDHR	60,000	60,000		57,200	57,200	Penalty Fund
9 Work Opportunity Tax Credit-KDHR	102,043	145,000		121,092	123,500	US DOL
20 Welfare to Work-KDHR	4,500,000	4,500,000				US DOL
21 Department Total	30,091,804	28,134,501	F 1 2 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	24,911,400	22,816,898	
22						
23 Department of Corrections						
24 Offender Programs-KDOC	10,500,000	7,900,000		4,435,544	3,212,728	SGF & USDO
Department Total	10,500,000	7,900,000		4,435,544	3,212,728	
26						
27 Department of Commerce and Housing						
28 IMPACT-KDOCH	7,100,000	11,000,000		11,000,000	4,000,000	KDFA
29 Kansas Industrial Training-KDOCH	1,800,000	1,800,000		1,800,000	1,650,000	EDIF
30 Kansas Industrial Retraining-KDOCH	1,800,000	1,800,000		1,800,000	1,650,000	EDIF
31 Training Equipment Grants-KDOCH	277,500	277,500		300,000	277,500	EDIF
32 Community Service Block Grant*	300,000		grants to non-state	3,826,280	3,828,204	US HHS
33 Department Total	11,277,500	14,877,500		18,726,280	11,405,704	
34	***************************************					
Department of Social and Rehabilitation Services					,	
36 KansasWorks-SRS	6,933,696	8,261,530		216,300,000	214,100,000	US HHS
37 Vocational Rehabilitation-SRS	18,651,549	16,100,000		18,180,205	18,747,402	US DOE/DRS
38 Food Stamps Employment & Training-SRS	22,040	25,920				USDA
39 Department Total	25,607,285	24,387,450		234,480,205	232,847,402	
40		•			-	
41						



Employment and Training in State Agencies Funding Streams

	А	В	С	D	E	F	G
42							
	Department of Education						
	Kansas Transition Systems Change Project	0	0		0	0	
45	Learn & Serve and Americorps-KSDE	1,288,254	1,300,000		860,841	863,317	Corp Nat Serv
46	Tech Prep-KSDE	1,399,839	1,198,635		1,085,253	1,085,949	US DOE
47	Carl Perkins Leadership Funds*-KSDE	1,150,000	1,200,000		449,915	452,860	US DOE
	Secondary Vocational Education-KSDE	5,100,000	5,700,000				US DOE
7,1,5,5,5	Secondary Vocational Education-KSDE	22,500,000	25,000,000				SGF
	Postsecondary Vocational Education-KSDE	5,100,000	5,700,000				US DOE
51	Department Total	36,538,093	40,098,635		2,396,009	2,402,126	
52							
	Kansas Board of Regents						
	Adult Basic Education-KBOR	2,767,903	3,240,333				US DOE
	Adult Basic Education-KBOR	1,100,000	1,100,000				SGF
	Technical Schools-KBOR	unable to extrapo	late				
	Community Colleges-KBOR	unable to extrapo	late				
58	Universities-KBOR	unable to extrapo	late				3
59	Department Total	3,867,903	4,340,333		0	0	
60	•						
	Total Workforce Investment Funds (all funds)	117,882,585	119,738,419		284,949,438	272,684,858	
62		8					
	Short Term Funds Flowing Through State Agencies						
	School to Careers**-KDOCH		16,800,000	4 yr-ends 2002			
	One Stop Implementation Grants-KDHR	2,300,000	4,800,000	ends 6-30-01			US DOL
	Mentoring-KDHR	184,324		one year only			US DOL
	Call Center-KDHR	140,000		one year only			US DOL
68	National Toll Free Implementation-KDHR		125,000	ends 9-30-01			US DOL
69	•						
	Funds Flowing to Non-State Entities						
	Welfare to Work Competitive Grant	4,300,000		3 yr grant to non-state			
	Indian and Native American Programs			grants to non-state			US DOL
73	Job Corps	4,800,000	6,400,000	grants to non-state			US DOL
	Farmers and Ranchers Training	747,433		2 yr grant to non-state			US DOL
	Employment and Training within HUD			grant to non-state			US HUD
	Boeing Project-Discretionary Grant	1,650,000		3 yr grant to non-state			US DOL
	TriCon-Discretionary Grant	462,288		3 yr grant to non-state			US DOL
_	Youth Opportunity			comp no current KS			US DOL
79	A						
80	* only about 6-7% of total is for employment and training						
81			00				
	2/15/01						

Agency/Program Name	Funding 2001	Program Description	Outcome Measures
Alien Labor Certification- KDHR	158,000	Provides technical assistance and guidance to employers who indicate they cannot find qualified, able and available U.S. workers to fill vacancies.	# applications# completed for certification
Registered Apprenticeship Program-KDHR	84,326	Works with employers to design and develop apprenticeship programs which offer full-time employment with classroom training and hands-on learning, training lasting from 1-6 years, most in building, construction, manufacturing, service, transportation, government and utilities.	 # registered programs New programs registered # active apprentices # new apprentices registered Completions Certifications
Disabled Veterans Outreach- KDHR	620,000	Develops job and training opportunities for veterans with service-connected disabilities, working with employers to promote support.	Placement service delivered
Job Service-KDHR	6,500,000	Labor exchange system that matches job seekers with employers, using offices and internet connection available in libraries, schools and home access.	Employer:

Agency/Program Name	Funding 2001	Program Description	Outcome Measures
Workforce Investment Act-KDHR	12,647,817	Assists with variety of services: (adults) case management including training for those unable to find employment; (youth) assessment, tutoring, study skills training, dropout prevention, alternative school service, internships, occupations skills training; (dislocated workers) information to laid off workers about unemployment insurance, how to access career centers, how to conduct job search information, training.	Adult: Entered employment Employment retention Earnings change Credential rate Older Youth: Entered employment Employment retention rate Earnings change Credential rate Younger Youth: Skill attainment Diploma/equivalent Retention rate Dislocated Worker: Entered employment Employment retention Earnings replacement Credential rate Customer satisfaction: Participant satisfaction Employer satisfaction
Local Veterans Employment-	1,000,000	Provides employment assistance to veterans, monitory Federal	Placement service delivered
KDHR		contractor job listings, supervising employment service to	
		veterans, counseling, testing and identifying training and	
		employment opportunities.	

Agency/Program Name	Funding 2001	Program Description	Outcome Measures
Neighborhood Improvement and Youth Employment Act- KDHR	100,000	Provides grants for youth employment opportunities through local public or private businesses associated with repair, maintenance and renovation of essential community facilities, community service or work with low-income senior citizens.	Varies with grants
NAFTA Transitional Adjustment-KDHR	150,000	May be available to American workers who lose jobs as a result of imports from Mexico or Canada, or a production facility moving to Mexico or Canada, including reemployment services, job search allowance, funded training.	# served
Older Kansas Employment Program-KDHR	230,358	Designed to provide employment placement services to Kansans 55 or older with skill assessment, resume preparation, counseling, job search skills, job clubs and job development.	 # older workers placed in employment Average wage at placement
Senior Community Services Employment-KDHR	1,039,000	Project sponsors receive grants to create and pay for part-time community service positions for low-income senior citizens at local public or private non-profit organizations.	# older workerenrollmentsPlacement rate
Trade Adjustment Assistance-KDHR	900,000	(combined with NAFTA, above)	(combined with NAFTA, above)
Wheat Harvest Program- KDHR	60,000	Temporary office operates during wheat harvest to provide laborers to farmers, cutting crews and cooperatives.	# placements
Work Opportunity Tax Credit-KDHR	145,000	Allows employer tax credits for hiring workers from nine targeted groups (welfare cash assistance recipients, food stamp recipients, vocational rehabilitation clients, high-risk youth, high-risk summer youth, veterans, ex-felons, SSI recipients, and long-term family assistance recipients.)	# certificationsrequested# tax credits issued

Agency/Program Name	Funding 2001	Program Description	Outcome Measures
Welfare to Work-KDHR	4,500,000	Designed to work with the hardest-to-employ of TANF recipients, those who have been on assistance 30 months or longer and have multiple barriers to employment.	 # to receive post-employment services Percent to obtain unsubsidized employment Average earnings per placement Average earnings after 1 year
Offender Programs-KDOC	7,900,000	Provides offenders the knowledge, skills, and experiences necessary for responsible citizenship through assessment, orientation to change, pre-employment training, on-the-job training, transition coaching, follow-up after release.	 Reduced recidivism Increased positive family/financial responsibilities Employment wages, advancement, training Positive job performance Increased adherence to parole conditions
IMPACT-KDOCH	11,000,000	Designed to respond to training and capital investment of major business expansions in Kansas involving 100 or more new jobs.	 Jobs impacted Percentage new firms Percentage rating services "good" or "excellent"
Kansas Industrial Training- KDOCH	1,800,000	Designed to respond to specific needs of new and expanding companies. Preference to Kansas basic industries which must create five net new jobs at average wage of \$6/hour.	Jobs impacted

Agency/Program Name	Funding 2001	Program Description	Outcome Measures
Kansas Industrial Retraining- KDOCH	1,800,000	Assists employees of restructuring industries who are likely to be displaced due to obsolete or inadequate skills or knowledge. Industries include basic enterprises using new processes or new products affecting five existing employees at average wage of \$6/hour.	Jobs impacted
Training Equipment Grants- KDOCH	277,500	Provides area technical schools or community college funding to acquire instructional equipment to train or retrain Kansas workers. Awards are competitive.	Jobs impacted
KansasWorks-SRS	8,261,530	As part of TANF, employment services include job readiness training, job retention training, vocational education, on-the-job training, job skills training, intensive case management, work experience placements, subsidized employment, job coaching and mentoring. Includes support services necessary including transportation, child care, uniforms, tools, etc.	 Cases closed due to employment Meeting federal work requirements Percentage TANF cases returning with 12 months of closing
Vocational Rehabilitation- SRS	16,100,000	Assist people with disabilities become gainfully employed and self-sufficient.	 People with disabilities lead more independent lives Quality of employment # interpreters with skill certification Resolve conflicts without formal appeal Reduced processing time # claims adjudicated Length of time benefits claims are processed

Agency/Program Name	Funding 2001	Program Description	Outcome Measures
Food Stamps Employment & Training-SRS	25,920	Targets families who receive food stamp benefits but not TAF; limited because it does not duplicate efforts made in the TAF; most who receive food stamps and not TAF are elderly, people with disabilities or low-income working families.	 New full-time employments Full time employment rate Part time employment rate Average full time Wage Average part time wage Percentage clients entering the program who obtain employment Comparison of full time earning to poverty level
Learn & Serve and Americorps-KSDE	1,300,000	Community service programs; coordinate adult volunteers in schools, promote service learning for school-age youth; provide services with direct and demonstrable results in exchange for education awards for postsecondary education or paying student loans.	Varies with grant
Tech Prep-KSDE	1,198,635	Provides grants to consortia made up of school districts/postsecondary education/businesses and community leaders to bridge technology from secondary technology education through technology training.	Varies with grant
Carl Perkins Leadership Funds-KSDE	1,200,000	Funds innovative curriculum and leadership programs including promotion of non-traditional careers, development of competency based curriculum, and others in secondary and postsecondary education.	Varies with grant



Agency/Program Name	Funding	Program Description	Outcome Measures
	2001		
Secondary Vocational Education-KSDE	30,700,000	Provides foundational vocational and technical education for secondary schools including, for example, trade and industrial, family and consumer science, business and marketing, computer and technology, and health programs.	 Academic attainment Vocational & technical skill attainment Completion Proficiency credentials Placement Retention
Postsecondary Vocational Education-KSDE	5,700,000	Provides foundational vocational and technical education for postsecondary schools including, for example, trade and industrial, family and consumer science, business and marketing, computer and technology, and health programs.	 Academic attainment Vocational & technical skill attainment Completion Placement Retention
Adult Basic Education- KBOR	4,340,333	Provide basic skills, ESL, GED preparation, computer/technology, citizenship and pre-employment/work maturity skills.	 Educational gain Entered employment Retained or improved employment Received GED Entered post-secondary or other training Achieve U.S. citizenship skills Increase involvement in children's education Increase involvement in children's literacy

KansasWorks Funding Profile per FY 2001 DOB Recommendations (amounts in millions)

TANF Block Grant

Item	FY 1998 Actuals	FY 1999 Actuals	FY 2000 DOB *	FY 2001 DOB *
Revenue				202
Carry Forward	\$19.0	\$71.6	\$47.7	\$32.8
State Funds	70.4	62.0	62.0	62.0
Federal TANF Grant	101.9	101.9	101.9	101.9
TANF Transfer to CCDF		(10.9)	(17.9)	(20.3)
TANF Transfer to SSBG	(10.2)	(10.2)	(10.2)	(10.2)
Total Revenue Available	\$181.1	\$214.4	\$183.5	\$166.2
Expenditures				
Administration	\$16.0	\$18.9	\$16.1	\$15.9
Information Systems	1.1	2.4	2.2	1.6
Program Staff	28.1	27.5	12.9	12.7
Temporary Cash Assistance for Families	55.5	45.4	43.4	43.1
Employment Services	3.6	7.0	8.3	8.3
Child Care Regulation, Grants, & Assistance		6.0	6.0	6.0
Head Start & Early Head Start				
Children's Services	5.2	59.5	61.2	53.5
Alcohol & Drug Abuse Services			0.6	0.6
Total Expenditures	\$109.5	\$166.7	\$150.7	\$141.7
Ending Balances for State Fiscal Years	\$71.6	\$47.7	\$32.8	\$24.5

The higher state amount of \$70.4 million in fiscal year 1998 reflects an additional \$8.9 million require to meet the federal fiscal year 1997 TANF maintenance of effort during the July-September 1997 quarter.

KansasWorks Funding Profile per FY 2001 DOB Recommendations (amounts in millions)

Child Care

ltem	FY 1998 Actuals	FY 1999 Actuals	FY 2000 Revised	FY 2001 Current Svs
Carry Forward		\$4.7	\$6.9	\$9.3
State Funds	12.3	12.3	14.0	15.3
Federal CCDF Funds	32.1	29.8	31.8	32.3
SSBG/FS Child Care	5.0	4.7	4.3	4.3
TANF Transfer to CCDF		10.9	17.9	20.3
Total Revenue	\$49.4	\$62.4	\$74.9	\$81.5
Expenditures				
Administration	\$0.5	\$1.0	\$0.8	\$0.8
Information Systems	0.5	0.4	0.5	0.5
Program Staff	3.0	5.6	4.1	4.1
Temporary Cash Assistance for Families				
Employment Services				
Child Care Regulation, Grants, & Assistance	33.2	43.7	52.5	59.1
Head Start & Early Head Start	7.5	4.8	7.7	7.7
Children's Services				
Total Expenditures	\$44.7	\$55.5	\$65.6	\$72.2
Fund Carry Forward	\$4.7	\$6.9	\$9.3	\$9.3

The FY 2000 and 2001 budgets are the DOB recommendations with the CINC/NAN and Child Care SRS Appeals added back.

KansasWorks Funding Profile per FY 2001 DOB Recommendations (amounts in millions)

TANF and Child Care Combined

ltem	<u> </u>			
	FY 1998 Actuals	FY 1999 Actuals	FY 2000 DOB *	FY 2001 DOB *
Revenue				
Carry Forward	\$19.0	\$76.3	\$54.6	\$42.1
State Funds	82.7	74.3	76.0	77.3
Federal TANF Grants	101.9	101.9	101.9	101.9
Federal CCDF Grants	32.1	29.8	31.8	32.3
SSBG and Food Stamp Funds	5.0	4.7	4.3	4.3
TANF Transfer to CCDF		221		
TANF transfer to SSBG	(10.2)	(10.2)	(10.2)	(10.2)
Total Revenue	\$230.5	\$276.8	\$258.4	\$247.7
Administration	\$16.5	\$19.9	\$16.9	\$16.7
Information Systems	\$1.6	\$2.8	\$2.7	\$2.1
Program Staff	\$31.1	\$33.1	\$17.0	\$16.8
Temporary Cash Assistance for Families	\$55.5	\$45.4	\$43.4	\$43.1
Employment Services	\$3.6	\$7.0	\$8.3	\$8.3
Child Care Regulation, Grants, & Assistance	\$33.2	\$49.7	\$58.5	\$65.1
Head Start & Early Head Start	\$7.5	\$4.8	\$7.7	\$7.7
Children's Services	\$5.2	\$59.5	\$61.2	\$53.5
Total Expenditures	\$154.2	\$222.2	\$216.3	\$213.9
Fund Carry Forward	\$76.3	\$54.6	\$42.1	\$33.8

TESTIMONY BEFORE THE SENATE COMMERCE COMMITTEE

HOUSE BILL NO. 2301

March 5, 2001 By Philip S. Harness, Workers Compensation Director

House Bill 2301 is a compilation of recommendations to amend the Workers Compensation Act passed by the Workers Compensation Advisory Council.

The most verbose change is found on Pages 10-11 dealing with the state's average weekly wage of volunteer public sector personnel, i.e. volunteer law enforcement officers, emergency medical technicians, mobile intensive care technicians, and firefighters. First, a little historical background may be helpful. Prior to the 1993 workers compensation reforms, a covered injured volunteer's average weekly wage was based on what a full-time worker earned. In 1993, a sentence was added to K.S.A. 44-511 (b)(6)(A) which reads "Volunteer employment shall not be presumed to be full time employment." In April, 1997, the Workers Compensation Board issued an opinion on this issue in Whelan v. City of St. Paul, Docket No. 202,839, wherein it found that a volunteer firefighter was a part-time volunteer and based the weekly indemnity benefit on the part-time wages. Mr. Whelan's wages over the past 26 weeks were based on the actual number of incidents (15) that he responded to times the hourly rate (\$7.23 per hour) that a similar city (City of Chanute) paid their firefighters. However, our statute set a minimum weekly wage of \$37.50 which was the figure used by the Workers Compensation Board since the actual calculation would have been less than that figure. Since temporary total disability is calculated upon two-thirds of the average weekly wage (but not to exceed the state's maximum), the firefighter in question received \$25.00 per week. House Bill 2301 amendments would require that these volunteers be paid benefits based on the state's average weekly wage until the physician releases the injured worker to return to work.

A second change is found at both Page 13, Line 22 and Page 16, Line 21, requiring the post-award medical procedure to be used when compensability is not an issue and additional medical benefits are sought when a workers compensation matter is on review to the board or on review from the board to the Court of Appeals. The post-award medical procedure was not available until K.S.A. 44-510k was enacted by the 2000 Kansas Legislature.

The last change appears at Page 7, Line 9, wherein the wording "so long as reasonable" is inserted to modify a health care provider's usual charge. A health care provider is paid the usual charge or the amount set forth in the maximum medical fee schedule, whichever is less. However, the maximum medical fee schedule may not address all facets of health care, in which case the insurer is required to pay the usual charge. If the entity's usual charge is outside the parameters for fees for similar treatment and care imposed by similarly situated health care providers, the statute would provide no relief to the payor. The addition of this wording is sought to impose a requirement of reasonableness on the usual charge where that particular charge is not addressed in the fee schedule.

Senate Commerce Committee

March 5, 2001

Attachment 2 - 1

2-5

AN ACT concerning the workers compensation act; amending K.S.A. 44-508, 44-510i, 44-511, 44-551 and 44-556 and repealing the existing sections.

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Be it enacted by the Legislature of the State of Kansas:

Section 1. K.S.A. 44-508 is hereby amended to read as follows: 44-

508. As used in the workers compensation act:

(a) "Employer" includes: (1) Any person or body of persons, corporate or unincorporate, and the legal representative of a deceased employer or the receiver or trustee of a person, corporation, association or partnership; (2) the state or any department, agency or authority of the state, any city, county, school district or other political subdivision or municipality or public corporation and any instrumentality thereof; and (3) for the purposes of community service work, the entity for which the community service work is being performed and the governmental agency which assigned the community service work, if any, if either such entity or such governmental agency has filed a written statement of election with the director to accept the provisions under the workers compensation act for persons performing community service work and in such case such entity and such governmental agency shall be deemed to be the joint employer of the person performing the community service work and both shall have the rights, liabilities and immunities provided under the workers compensation act for an employer with regard to the community service work, except that the liability for providing benefits shall be imposed only on the party which filed such election with the director, or on both if both parties have filed such election with the director; for purposes of community service work, "governmental agency" shall not include any court or any officer or employee thereof and any case where there is deemed to be a "joint employer" shall not be construed to be a case of dual or multiple employment.

(b) "Workman" or "employee" or "worker" means any person who has entered into the employment of or works under any contract of service or apprenticeship with an employer. Such terms shall include but not be limited to: Executive officers of corporations; professional athletes; persons serving on a volunteer basis as duly authorized law enforcement

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officers, ambulance attendants emergency medical technicians, mobile intensive care technicians, firefighters, but only to the extent and during such periods as they are so serving in such capacities; persons employed by educational, religious and charitable organizations, but only to the extent and during the periods that they are paid wages by such organizations; persons in the service of the state, or any department, agency or authority of the state, any city, school district, or other political subdivision or municipality or public corporation and any instrumentality thereof, under any contract of service, express or implied, and every official or officer thereof, whether elected or appointed, while performing official duties; persons in the service of the state as volunteer members of the Kansas department of civil air patrol, but only to the extent and during such periods as they are officially engaged in the performance of functions specified in K.S.A. 48-3302 and amendments thereto; volunteers in any employment, if the employer has filed an election to extend coverage to such volunteers; minors, whether such minors are legally or illegally employed; and persons performing community service work, but only to the extent and during such periods as they are performing community service work and if an election has been filed an election to extend coverage to such persons. Any reference to an employee who has been injured shall, where the employee is dead, include a reference to the employee's dependents, to the employee's legal representatives, or, if the employee is a minor or an incapacitated person, to the employee's guardian or conservator. Unless there is a valid election in effect which has been filed as provided in K.S.A. 44-542a and amendments thereto, such terms shall not include individual employers, limited or general partners or self-employed persons.

- (c) (1) "Dependents" means such members of the employee's family as were wholly or in part dependent upon the employee at the time of the accident.
- (2) "Members of a family" means only surviving legal spouse and children; or if no surviving legal spouse or children, then parents or grandparents; or if no parents or grandparents, then grandchildren; or if no grandchildren, then brothers and sisters. In the meaning of this section, parents include stepparents, children include stepchildren, grandchildren include stepparents include stepparents and sisters include stepbrothers and stepsisters, and children and parents include that relation by legal adoption. In the meaning of this section, a surviving spouse shall not be regarded as a dependent of a deceased employee or as a member of the family, if the surviving spouse shall have for more than six months willfully or voluntarily deserted or abandoned the employee prior to the date of the employee's death.
 - (3) "Wholly dependent child or children" means:



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provided a patient, which is based on accepted standards of the health care profession involved and which is conducted in conjunction with utilization review.

- (o) "Peer review committee" means a committee composed of health care providers licensed to practice the same health care profession as the health care provider who rendered the health care services being reviewed.
- (p) "Group-funded self-insurance plan" includes each group-funded workers compensation pool, which is authorized to operate in this state under K.S.A. 44-581 through 44-592 and amendments thereto, each municipal group-funded pool under the Kansas municipal group-funded pool act which is covering liabilities under the workers compensation act, and any other similar group-funded or pooled plan or arrangement that provides coverage for employer liabilities under the workers compensation act and is authorized by law.
- (q) On and after the effective date of this act, "workers compensation board" or "board" means the workers compensation board established under K.S.A. 44-555c and amendments thereto.
- Sec. 2. K.S.A. 44-510i is hereby amended to read as follows: 44-510i. (a) The director shall appoint, subject to the approval of the secretary, a specialist in health services delivery, who shall be referred to as the medical administrator. The medical administrator shall be a person licensed to practice medicine and surgery in this state and shall be in the unclassified service under the Kansas civil service act.
- (b) The medical administrator, subject to the direction of the director, shall have the duty of overseeing the providing of health care services to employees in accordance with the provisions of the workers compensation act, including but not limited to:
- (1) Preparing, with the assistance of the advisory panel, the fee schedule for health care services as set forth in this section;
- (2) developing, with the assistance of the advisory panel, the utilization review program for health care services as set forth in this section;
- (3) developing a system for collecting and analyzing data on expenditures for health care services by each type of provider under the workers compensation act; and
- (4) carrying out such other duties as may be delegated or directed by the director or secretary.
- (c) The director shall prepare and adopt rules and regulations which establish a schedule of maximum fees for medical, surgical, hospital, dental, nursing, vocational rehabilitation or any other treatment or services provided or ordered by health care providers and rendered to employees under the workers compensation act and procedures for appeals and review of disputed charges or services rendered by health care providers

(r) A health care provider's "usual charge" means the amount most commonly charged by health care providers for the same or similar services.

(s) A health care provider's "customary charge" means the usual rates or range of fees charged by health care providers in that locale or area.

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(e) All fees and other charges paid for such treatment, care and attendance, including treatment, care and attendance provided by any health care provider, hospital or other entity providing health care services, shall not exceed the amounts prescribed by the schedule of maximum fees established under this section or the amounts authorized pursuant to the provisions and review procedures prescribed by the schedule for exceptional cases. A health care provider, hospital or other entity providing health care services shall be paid either such health care provider, hospital or other entity's usual charge, so long as reasonable, for the treatment, care and attendance or the maximum fees as set forth in the schedule, whichever is less. In reviewing and approving the schedule of maximum fees, the director shall consider the following:

(1) The levels of fees for similar treatment, care and attendance imposed by other health care programs or third-party payors in the locality in which such treatment or services are rendered;

(2) the impact upon cost to employers for providing a level of fees for treatment, care and attendance which will ensure the availability of treatment, care and attendance required for injured employees;

- (3) the potential change in workers compensation insurance premiums or costs attributable to the level of treatment, care and attendance provided; and
- (4) the financial impact of the schedule of maximum fees upon health care providers and health care facilities and its effect upon their ability to make available to employees such reasonably necessary treatment, care and attendance to each injured employee to cure and relieve the employee from the effects of the injury.
- Sec. 3. K.S.A. 44-511 is hereby amended to read as follows: 44-511. (a) As used in this section:
- (1) The term "money" shall be construed to mean the gross remuneration, on an hourly, output, salary, commission or other basis, at which the service rendered is recompensed in money by the employer, but it shall not include any additional compensation, as defined in this section, any remuneration in any medium other than cash, or any other compensation or benefits received by the employee from the employer or any other source.
- (2) The term "additional compensation" shall include and mean only the following: (A) Gratuities in cash received by the employee from persons other than the employer for services rendered in the course of the employee's employment; (B) any cash bonuses paid by the employer within one year prior to the date of the accident, for which the average weekly value shall be determined by averaging all such bonuses over the period of time employed prior to the date of the accident, not to exceed 52 weeks; (C) board and lodging when furnished by the employer as part

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has been employed by the employer at least one calendar week immediately preceding the date of the accident, the average gross weekly wage shall be the gross amount of money earned during the number of calendar weeks so employed, up to a maximum of 26 calendar weeks immediately preceding the date of the accident, divided by the number of weeks employed, or by 26 as the case may be, plus the average weekly value of any additional compensation and the value of the employee's average weekly overtime computed as provided in paragraph (4) of this subsection. If the employee had been in the employment of the employer less than one calendar week immediately preceding the accident, the average gross weekly wage shall be determined by the administrative law judge based upon all of the evidence and circumstances, including the usual wage for similar services paid by the same employer, or if the employer has no employees performing similar services, the usual wage paid for similar services by other employers. The average gross weekly wage so determined shall not exceed the actual average gross weekly wage the employee was reasonably expected to earn in the employee's specific employment, including the average weekly value of any additional compensation and the value of the employee's average weekly overtime computed as provided in paragraph (4) of this subsection. In making any computations under this paragraph (5), workweeks during which the employee was on vacation, leave of absence, sick leave or was absent the entire workweek because of illness or injury shall not be considered.

(6) (A) The average gross weekly wage of a person serving on a volunteer basis as a duly authorized law enforcement officer, an ambulance attendant emergency medical technician, mobile intensive care technician, or firefighter, or any other volunteer under the workers compensation act, who receives no wages for such services, or who receives wages which are substantially less than the usual wages paid for such services by comparable employers to employees who are not volunteers, shall be computed on the basis of the state average weekly wage the usual wages paid by the employer for such services to employees who are not volunteers, or, if the employer has no employees performing such services for wages who are not volunteers, the average gross weekly wage shall be computed on the basis of the usual wages paid for such services by comparable employers to employees who are not volunteers. Volunteer employment shall not be presumed to be full-time employment.

(B) The average gross weekly wage of any person performing community service work shall be deemed to be \$37.50.

(C) The average gross weekly wage of a volunteer member of the Kansas department of civil air patrol officially engaged in the performance of functions specified in K.S.A. 48-3302 and amendments thereto shall be deemed to be \$476.38. Whenever the rates of compensation of the



first responders





Donald A. Wilson President

March 5, 2001

TO:

Senate Commerce Committee

FROM:

Fred J. Lucky, Vice President

RE:

HB 2301

Thank you, Madam Chair for allowing me to testify in support of HB 2301. My name is Fred Lucky and I am a vice president of the Kansas Hospital Association. Kansas hospitals are unique in that not only are we frequent providers of emergent and rehabilitative health care for injured workers, but we also work closely with many of the volunteer fire and emergency response units that this bill addresses. We support the changes proposed by this bill to bring those valuable individuals into a more equitable treatment under the state's worker's compensation provisions.

We do, however, wish to offer an amendment to HB 2301 that we feel will make the bill more even stronger and more acceptable for providers. Attached to my testimony is a copy of the balloon amendments identifying our changes. These changes have been worked out with the cooperation of the Director after consultation with the chairman of the House committee that sponsored the bill. We all agreed that the appropriate strategy was to amend the bill in the Senate after House passage.

The change to "first responders" from "ambulance attendants" on pages 2 and 10, lines 1 and 25-26 respectively are a matter of language preference recommended by the Director. Our main concerns results from the term "so long as reasonable" found on page 7, line 9. We recommend substituting "and customary" to make the bill's language consistent with that which is more commonly used in the area of health insurance. We further recommend that the terms "usual charge" and "customary charge" be defined in regulation as recommended by our balloon language on page 5, after line 18. These definitions have also been agreed to by the Director.

We support the efforts of the Director to promote cost efficiency in worker's compensation under the provisions of the schedule of maximum fees. These recommended changes in no way diminish his authority to arbitrate legitimate disputes between payers and providers interpreting the fee schedule. Rather, it replaces ambiguous language that historically has caused disputes between parties.

We request the committee adopt the amendments attached to this testimony. I will be happy to answer any questions from members of the committee.

attachment

Senate Commerce Committee

March 5, 2001

Attachment 3-1

By Committee on Business, Commerce and Labor

2-5

9 AN ACT concerning the workers compensation act; amending K.S.A. 44-10 508, 44-510i, 44-511, 44-551 and 44-556 and repealing the existing 11 sections.

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Session of 2001

Be it enacted by the Legislature of the State of Kansas:

Section 1. K.S.A. 44-508 is hereby amended to read as follows: 44-508. As used in the workers compensation act:

(a) "Employer" includes: (1) Any person or body of persons, corporate or unincorporate, and the legal representative of a deceased employer or the receiver or trustee of a person, corporation, association or partnership; (2) the state or any department, agency or authority of the state, any city, county, school district or other political subdivision or municipality or public corporation and any instrumentality thereof; and (3) for the purposes of community service work, the entity for which the community service work is being performed and the governmental agency which assigned the community service work, if any, if either such entity or such governmental agency has filed a written statement of election with the director to accept the provisions under the workers compensation act for persons performing community service work and in such case such entity and such governmental agency shall be deemed to be the joint employer of the person performing the community service work and both shall have the rights, liabilities and immunities provided under the workers compensation act for an employer with regard to the community service work, except that the liability for providing benefits shall be imposed only on the party which filed such election with the director, or on both if both parties have filed such election with the director; for purposes of community service work, "governmental agency" shall not include any court or any officer or employee thereof and any case where there is deemed to be a "joint employer" shall not be construed to be a case of dual or multiple employment.

(b) "Workman" or "employee" or "worker" means any person who has entered into the employment of or works under any contract of service or apprenticeship with an employer. Such terms shall include but not be limited to: Executive officers of corporations; professional athletes; persons serving on a volunteer basis as duly authorized law enforcement

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officers, ambulance attendants emergency medical technicians, mobile intensive care technicians, firefighters, but only to the extent and during such periods as they are so serving in such capacities; persons employed by educational, religious and charitable organizations, but only to the extent and during the periods that they are paid wages by such organizations; persons in the service of the state, or any department, agency or authority of the state, any city, school district, or other political subdivision or municipality or public corporation and any instrumentality thereof, under any contract of service, express or implied, and every official or officer thereof, whether elected or appointed, while performing official duties; persons in the service of the state as volunteer members of the Kansas department of civil air patrol, but only to the extent and during such periods as they are officially engaged in the performance of functions specified in K.S.A. 48-3302 and amendments thereto; volunteers in any employment, if the employer has filed an election to extend coverage to such volunteers; minors, whether such minors are legally or illegally employed; and persons performing community service work, but only to the extent and during such periods as they are performing community service work and if an election has been filed an election to extend coverage to such persons. Any reference to an employee who has been injured shall, where the employee is dead, include a reference to the employee's dependents, to the employee's legal representatives, or, if the employee is a minor or an incapacitated person, to the employee's guardian or conservator. Unless there is a valid election in effect which has been filed as provided in K.S.A. 44-542a and amendments thereto, such terms shall not include individual employers, limited or general partners or self-employed persons.

- (c) (1) "Dependents" means such members of the employee's family as were wholly or in part dependent upon the employee at the time of the accident.
- (2) "Members of a family" means only surviving legal spouse and children; or if no surviving legal spouse or children, then parents or grandparents; or if no parents or grandparents, then grandchildren; or if no grandchildren, then brothers and sisters. In the meaning of this section, parents include stepparents, children include stepchildren, grandchildren include stepparandchildren, brothers and sisters include stepbrothers and stepsisters, and children and parents include that relation by legal adoption. In the meaning of this section, a surviving spouse shall not be regarded as a dependent of a deceased employee or as a member of the family, if the surviving spouse shall have for more than six months willfully or voluntarily deserted or abandoned the employee prior to the date of the employee's death.
 - (3) "Wholly dependent child or children" means:



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- (o) "Peer review committee" means a committee composed of health care providers licensed to practice the same health care profession as the health care provider who rendered the health care services being reviewed.
- (p) "Group-funded self-insurance plan" includes each group-funded workers compensation pool, which is authorized to operate in this state under K.S.A. 44-581 through 44-592 and amendments thereto, each municipal group-funded pool under the Kansas municipal group-funded pool act which is covering liabilities under the workers compensation act, and any other similar group-funded or pooled plan or arrangement that provides coverage for employer liabilities under the workers compensation act and is authorized by law.
- (q) On and after the effective date of this act, "workers compensation board" or "board" means the workers compensation board established under K.S.A. 44-555c and amendments thereto.
- Sec. 2. K.S.A. 44-510i is hereby amended to read as follows: 44-510i. (a) The director shall appoint, subject to the approval of the secretary, a specialist in health services delivery, who shall be referred to as the medical administrator. The medical administrator shall be a person licensed to practice medicine and surgery in this state and shall be in the unclassified service under the Kansas civil service act.
- (b) The medical administrator, subject to the direction of the director, shall have the duty of overseeing the providing of health care services to employees in accordance with the provisions of the workers compensation act, including but not limited to:
- (1) Preparing, with the assistance of the advisory panel, the fee schedule for health care services as set forth in this section;
- (2) developing, with the assistance of the advisory panel, the utilization review program for health care services as set forth in this section;
- (3) developing a system for collecting and analyzing data on expenditures for health care services by each type of provider under the workers compensation act; and
- (4) carrying out such other duties as may be delegated or directed by the director or secretary.
- (c) The director shall prepare and adopt rules and regulations which establish a schedule of maximum fees for medical, surgical, hospital, dental, nursing, vocational rehabilitation or any other treatment or services provided or ordered by health care providers and rendered to employees under the workers compensation act and procedures for appeals and review of disputed charges or services rendered by health care providers

(r) A health care provider's "usual charge" means the amount most commonly charged by health care providers for the same or similar services.

(s) A health care provider's "customary charge" means the usual rates or range of fees charged by health care providers in that locale or area.

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(e) All fees and other charges paid for such treatment, care and attendance, including treatment, care and attendance provided by any health care provider, hospital or other entity providing health care services, shall not exceed the amounts prescribed by the schedule of maximum fees established under this section or the amounts authorized pursuant to the provisions and review procedures prescribed by the schedule for exceptional cases. A health care provider, hospital or other entity providing health care services shall be paid either such health care provider, hospital or other entity's usual charge, so long as reasonable, for the treatment, care and attendance or the maximum fees as set forth in the schedule, whichever is less. In reviewing and approving the schedule of maximum fees, the director shall consider the following:

(1) The levels of fees for similar treatment, care and attendance imposed by other health care programs or third-party payors in the locality in which such treatment or services are rendered;

(2) the impact upon cost to employers for providing a level of fees for treatment, care and attendance which will ensure the availability of treatment, care and attendance required for injured employees;

(3) the potential change in workers compensation insurance premiums or costs attributable to the level of treatment, care and attendance provided; and

- (4) the financial impact of the schedule of maximum fees upon health care providers and health care facilities and its effect upon their ability to make available to employees such reasonably necessary treatment, care and attendance to each injured employee to cure and relieve the employee from the effects of the injury.
- Sec. 3. K.S.A. 44-511 is hereby amended to read as follows: 44-511. (a) As used in this section:
- (1) The term "money" shall be construed to mean the gross remuneration, on an hourly, output, salary, commission or other basis, at which the service rendered is recompensed in money by the employer, but it shall not include any additional compensation, as defined in this section, any remuneration in any medium other than cash, or any other compensation or benefits received by the employee from the employer or any other source.
- (2) The term "additional compensation" shall include and mean only the following: (A) Gratuities in cash received by the employee from persons other than the employer for services rendered in the course of the employee's employment; (B) any cash bonuses paid by the employer within one year prior to the date of the accident, for which the average weekly value shall be determined by averaging all such bonuses over the period of time employed prior to the date of the accident, not to exceed 52 weeks; (C) board and lodging when furnished by the employer as part

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has been employed by the employer at least one calendar week immediately preceding the date of the accident, the average gross weekly wage shall be the gross amount of money earned during the number of calendar weeks so employed, up to a maximum of 26 calendar weeks immediately preceding the date of the accident, divided by the number of weeks employed, or by 26 as the case may be, plus the average weekly value of any additional compensation and the value of the employee's average weekly overtime computed as provided in paragraph (4) of this subsection. If the employee had been in the employment of the employer less than one calendar week immediately preceding the accident, the average gross weekly wage shall be determined by the administrative law judge based upon all of the evidence and circumstances, including the usual wage for similar services paid by the same employer, or if the employer has no employees performing similar services, the usual wage paid for similar services by other employers. The average gross weekly wage so determined shall not exceed the actual average gross weekly wage the employee was reasonably expected to earn in the employee's specific employment, including the average weekly value of any additional compensation and the value of the employee's average weekly overtime computed as provided in paragraph (4) of this subsection. In making any computations under this paragraph (5), workweeks during which the employee was on vacation, leave of absence, sick leave or was absent the entire workweek because of illness or injury shall not be considered.

(6) (A) The average gross weekly wage of a person serving on a volunteer basis as a duly authorized law enforcement officer, an ambulance attendant emergency medical technician, mobile intensive care technician, or firefighter, or any other volunteer under the workers compensation act, who receives no wages for such services, or who receives wages which are substantially less than the usual wages paid for such services by comparable employers to employees who are not volunteers, shall be computed on the basis of the state average weekly wage the usual wages paid by the employer for such services to employees who are not volunteers, or, if the employer has no employees performing such services for wages who are not volunteers, the average gross weekly wage shall be computed on the basis of the usual wages paid for such services by comparable employers to employees who are not volunteers. Volunteer employment shall not be presumed to be full-time employment.

(B) The average gross weekly wage of any person performing community service work shall be deemed to be \$37.50.

(C) The average gross weekly wage of a volunteer member of the Kansas department of civil air patrol officially engaged in the performance of functions specified in K.S.A. 48-3302 and amendments thereto shall be deemed to be \$476.38. Whenever the rates of compensation of the



first responders



ASAS STATE ASSOCIATION OF FIRE CHIEFS

EXECUTIVE BOARD PRESIDENT Chief Jim Keating St. Marys Fire Department P.O. Box 56 St. Marys, Kansas 66536 785-437-6287

VICE PRESIDENT Chief John Lloyd Wellington Fire Department 200 North C Street, Suite 200 Wellington, Kansas 67152 316-326-7443

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March 5, 2001

Testimony Presented to the Senate Commerce Committee

House Bill 2301

As President of the Kansas State Association of Fire Chiefs, I am pleased to have the opportunity to provide testimony on this bill today.

The Problem:

During the 1993 legislative session, Senate Bill #307 passed which amended K.S.A. 44-511 with the sentence added "volunteer employment shall not be presumed to be full time employment". Shortly thereafter, several cases involving volunteer firefighters injured while performing as a firefighter and were unable to return to their regular job, received compensation based on community service work at maximum benefit calculated from \$37.50 per week. This was completely unacceptable and placed an undue burden on the volunteer as well as their families.

In 1995 the State Insurance Commissioner issued a bulletin to all work compensation carriers operating in Kansas to pay benefits at the full time rate for any volunteer firefighter injured in the line of duty. Challenges have continued thru time regarding the 1993 legislative change and in this past year several cases have came about where a volunteer emergency services worker has been compensated at a rate well below \$30.00 per week.

In addition to the above language, as it existed in K.S.A. 44-511 (6)(A), it was never definitive as to what wage a volunteer firefighter might be compensated at if injured. The law read that an injured volunteer firefighter was to be paid at the same rate as someone performing that task full time. If the department had no full time firefighters, the compensation was to be based on the usual wage for that service. Therefore, most departments operated under the premise that compensation would be paid at the rate of the wage of the nearest paid firefighter. At best this varied greatly, case to case, and fire departments where never sure of exactly what compensation would be paid.

Attachment 🏲

The Effect:

At a time when volunteerism is on a sharp decline, especially in the emergency services, word of this problem has been questioned by current volunteer emergency service members as to their status if injured. As leaders in the Kansas Emergency services, we are working very hard to encourage capable persons to join their local emergency services. We must resolve this problem to give assurance to new, as well as current emergency service members, that they will be compensated at a fair rate if injured and not penalized for volunteering their time to their communities.

The Solution:

The changes as indicated in House Bill 2301 would satisfactorily address the problem. All volunteer firefighter departments across the state would then know exactly what the wage would be that the compensation would be based upon. For a volunteer worker, who has an approved worker compensation claim from an injury that would prevent them from returning to their normal paid job, this would provide the volunteer emergency worker a compensation comparable to that of any other occupation. This proposal has been discussed with the major fire service organizations in the state. All have supported this change. We believe that House Bill 2301 is a viable solution and should be agreeable to the fire service, state agencies, insurance industry and city and county governments.

We urge your passage of House Bill 2301 from the committee.

Testimony presented by:

Jim Keating
President K.S.A.F.C
Phone 785-437-6287
Fax 785-437-3166
e-mail smksfd@earthlink.net

Attachment: Copy of letter from injured volunteer emergency services worker.

11/10/00

Dear Mr. Leating,

Living a secent convenation with

Mr. John Washburn, he suggested that I

contact you with regards to my particular

situation (reference Work Comp injuries).

Mr. Washburn indicated that my experiences

might prove of some value to you in

your offerts to looby for fair

compensation for injured Fire/EMS

personnell.

crew member paid on a per-run bosis.

On Feb. 17, 1999 I was injured in a
freet accident during an ambulance run.

Jests showed that I had blown out my
lift ACL: Since my regular job at that
time was as a Corrections officer for the
Cloud County Sheriff's Dept., it's obvious
that there was no way I could work
in any profimity to the innates, much
less respond to any ambulance cells.

Cifter four knee surgices, seemingly endless physices therapy and fifteen months, I was finally able to return to work at the Sheriffi Cipl. Ofter my dissibility benefits from the department ran out (b months duration), my Work Comp carrier informed me that \$23.03 per week was all I was eligible to receive (documentation available). Although they were quite good about the medical bills and the mileage allowances, twenty-three dollars a week doesn't stretch far at all.

although I "freigoled" my way through it, by the time I returned to work in May I was financially wifed out. We are still attempting to ascertain the percentege of permanent disability, but that is a story for another time.

Mr. Wushburn has indicated that many things are trying to happin,

legislatively speaking, and there is hope that the problems in Kanses may someday soon be rectified.

While I personally prefer optimism, I also really that any such ligislation will more than likely not help me (or anyone else) in my current situation - not unless its retro-active, and that's ever less likely. Lowever, my concern is for the future of volunteers, not necessarily just fire or EMS. It worries me how many services we will all lose if no one will willingly donate their time, skills and Labor because they "can't afford to take the risk. I'm sure this thought has occurred to several people - hence the push for ligislation.

Mr. Kidling - I don't know what

I could do to help - bisides possibly testify before any committees - but I'm not afraid to try. I don't know how I'd pay the gas mileage to get to wherever I needed to be, but given enough time, I'd find a way).

I would be interested in hearing any updates, ideas, etc., and would enjoy heaving from you at your

I can be reached at the address and phone listed below.

Thank you for your time and efforts in attempting to solve a serious problem. Its very much apprinted!

Marcia Samples
Rel Box 122
Glasco, Ks. 67445
(785) 568-2787

KANSAS BOARD OF EMERGENCY MEDICAL SERVICES

109 S.W. 6th AVENUE TOPEKA, KS 66603-3826

OFFICE (785) 296-7296 FAX (785) 296-6212 TDD (785) 296-6237 www.ksbems.org

David Lake Administrator Dennis Allin, M.D. Chair Bill Graves Governor



MEMORANDUM

DATE: March 5, 2001

TO: Senator Karen Brownlee, Chair

Members of Senate Committee on Commerce

FROM: David Lake

RE: Testimony in support of HB2301

At the present time, there are 9,493 certified attendants in our state. Of that number, only 4,945 indicate they actively provide patient care and 2,864 (58%) of those report working in the capacity of a volunteer or on a part-time basis.

Perhaps the biggest issue facing Emergency Medical Service providers in Kansas and nationwide is the recruitment and retention of attendants, most of whom serve as volunteers. To become certified as a basic EMT, you must complete a course of instruction which is averaging 200 clock-hours. (The average length of these courses is two nights a week for five months.) You must then pass a National Registry exam consisting of a written test as well as a practical skills (hands-on) evaluation. You must then complete a required number of continuing education hours annually to maintain certification. It is expensive and time consuming to become certified and requires a tremendous amount of commitment to their communities and the citizens of Kansas on the part of those that pursue and gain EMT certification.

While it is very infrequent, occasionally an attendant gets injured in the line of duty. If a (Continued)

Senate Commerce Committee

March 5, 2001

Attachment 5.1

volunteer is injured while providing care, he/she may only be reimbursed at a rate of \$20 to \$40 per week. If those injuries keep him/her from working a regular job, the effect to the attendant and family could be devastating. This is not a strong selling point when recruiting someone to join your service or fire department.

The Board of Emergency Medical Services supports the proposed language in HB2301 which identifies the "state average weekly wage" to be used in computing worker's compensation benefits for volunteer and part-time EMS providers. However, the current language limits coverage to only two of the five levels of attendant certification. I would like to recommend amending the current language on page 10 of the bill, Section (6)(A), line 26 into line 27, and replace "emergency medical technician, mobile intensive care technician" with the following: emergency medical services attendant as referenced in section 65-6112(d)". This change would provide coverage for all current certified attendants as well as any levels of certification that may be added in the future.

I appreciate the opportunity to present this testimony to the committee. I will be glad to stand for any questions, comments, or concerns you may have regarding my testimony.



TESTIMONY

TO:

Senate Commerce Committee

FROM:

Kathy Greenlee, General Counsel

RE:

House Bill 2301

DATE:

March 5, 2001

I appear today on behalf of the Kansas Insurance Department in support of House Bill 2301. A few months ago, we learned that a worker's compensation pool that we regulate is paying part-time benefits when the volunteer firefighters are injured while serving as firefighters. Concerned fire chiefs and firefighters brought this problem to our attention. To our knowledge, every other insurer or work comp carrier is providing full-time worker's compensation benefits to volunteer firefighters.

As we investigated, we learned that the work comp pool is basing its decision on the language of K.S.A. 44-511(b)(6)(A). The end of that paragraph states, "Volunteer employment shall not be presumed to be full time employment." You will find that phrase on page 10, lines 36 and 37, of House Bill 2301.

In 1995, the Kansas Insurance Department issued a bulletin directing companies to pay full-time benefits. Given the plain language of K.S.A. 44-511, the pool questioned the sufficiency of our bulletin.

In researching the legal issue raised by the work comp pool, we learned that the Workers Compensation Appeals board issued an opinion in April of 1997 requiring the carrier to pay a volunteer firefighter only part-time benefits.

We approached the Division of Worker's Compensation and the Work Comp

Advisory Council and asked them to consider this issue. This bill is the product of those discussions and the Advisory Council deliberations.

Volunteer firefighters perform an invaluable community service for hundreds of Kansas communities. In order for cities and counties to attract volunteers, they must be certain that volunteers will receive full worker's compensation benefits if they are injured in the line of duty.

Fire protection is critical for everyone. We strongly urge you to adopt this bill.



Lawyers Representing Consumers

TO:

Members of the Senate Commerce Committee

FROM:

Terry Humphrey

Executive Director

Kansas Trial Lawyers Association

RE:

2001 HB 2301

DATE:

March 5, 2001

Chairman Brownlee and members of the Senate Commerce Committee, thank you for the opportunity to comment on HB 2301. I am Terry Humphrey, executive director of the Kansas Trial Lawyers Association.

The Kansas Trial Lawyers continues to support HB 2301, which proposes to provide comparable workers compensation benefits to volunteer firefighters, law enforcement officers emergency medical technician or mobile intensive care technician who are injured while performing their volunteer responsibilities. These people give not only their time and energy to the community in their volunteer capacity, but they also risk being injured. We believe it is only right that they receive the appropriate compensation should they be injured.

Thank you for the opportunity to submit our comments on HB 2301. We encourage the committee to support this bill. We are happy to answer any questions that you may have or provide additional information.



Box 441 Clay Cenier, Kansas 67432

(785) 632-2166 • Fax (785) 632-6050 http://www.kemsa.org

Kansas Emergency Medical Services Association (KEMSA), supports HB 2301

March 2, 2001

The Kansas Emergency Medical Services Association (KEMSA) is a professional association for the 10,000 EMT's and paramedics in Kansas.

KEMSA supports the passage of HB 2301. We would request that the reference to emergency medical services personnel be changed to "emergency medical services attendant as cited in article 61 of chapter 65 of Kansas Statutes Annotated."

This language will cover first responders (who often serve on ambulances) EMT's (of various and occasionally changing description such as Intermediate, Defibrillator etc) and paramedics.

Submitted by Jason White KEMSA Board

"Unity Is Strength"

Senate Commerce Committee

March 5, 2001

Attachment 8-1



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