

## MINUTES OF THE SENATE WAYS &amp; MEANS COMMITTEE.

The meeting was called to order by Chairperson Dave Kerr at 11:00 a.m. on March 22, 2000 in Room 123-S of the Capitol.

All members were present except:

Committee staff present: Alan Conroy, Chief Fiscal Analyst, KLRD  
 Rae Anne Davis, KS Legislative Research Department  
 Debra Hollon, KS Legislative Research Department  
 Norman Furse, Revisor of Statutes  
 Michael Corrigan, Asst. Revisor of Statutes  
 Judy Bromich, Administrative Assistant to the Chairman  
 Ronda Miller, Committee Secretary

Conferees appearing before the committee:

Others attending: See attached list

**SB 381: Professional service scholarships, osteopaths, optometrists, nurses, teachers, dentists, national guard officers**

Senator Salisbury moved, Senator Lawrence seconded, that the Committee reconsider its action on SB 381. Senator Salisbury told members that she had offered an amendment regarding the stipend for ethnic minority graduate students which she believed to be the preferable policy for the state but which had offended others on the Committee. The motion to reconsider carried on a voice vote.

A motion was offered by Senator Morris and seconded by Senator Downey to amend SB 381 by deleting the payment of 70% cost of attendance for ethnic minority graduate students and by reinserting the language that would provide a stipend in an amount not to exceed the amount of the cost of attendance and that SB 381 as amended be recommended favorably for passage. The motion carried on a roll call vote.

Chairman Kerr reviewed the FY 2001 subcommittee report on **KPERS issues** (Attachment 1). Members discussed the following items:

1. d. Correction of errors. Of the three instances cited where errors were made and KPERS overpaid benefits, two individuals have reimbursed the state. However, the individual who received an overpayment of \$19,000 has no means to repay. It was explained that the error was clearly the mistake of KPERS, but legally KPERS has the right to collect the money. With this recommendation the persons who repaid the state will be reimbursed all but 25% of the overpayment, and the person who has not reimbursed the state will have benefits reduced in order to collect 25% of the overpayment. This recommendation pertains only to the 1993 COLA.
1. h. Lump Sum KPERS Payment. The Chairman noted that this is a major policy change which provides a better option for persons who are terminally ill because it will be an actuarially calculated benefit on that date. In addition, he noted that lump sum payment could be an option for those persons who believe they can take their retirement benefits and invest them at a better rate.
2. c. Serving After Retirement. Senator Downey reviewed the minority report (Attachment 1-6). She noted that persons under KP&F can draw their retirement and serve as legislators while accruing benefits under KPERS. She stated that she did not have specific language to offer as a solution for addressing what she believed was a biased situation for someone who has had a career and participated in KPERS and is subsequently elected to the Legislature. Jack Hawn, KPERS, told members that someone who is "dually employed" (such as a teacher who is a member of KPERS and is elected to the Legislature) has to make the choice of which salary to contribute under when they come into office. Because of annualization of legislators' salaries the provision was put in so that the salaries could not

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be combined. All other elected officials can combine their salaries because they are usually lower and are not annualized. The Chairman expressed his belief that aspects of this need to be carefully studied because part of the proposal would be to allow the dually employed person to have retirement recalculated on final retirement. Senator Downey read a statement of opinion from IRS indicating under what conditions changes could be made.

1. k. Payment of Benefit Enhancements. It was noted by staff that because of current law, the state does not begin paying for enhanced benefits for two years.

It was moved by Senator Lawrence and seconded by Senator Salisbury that the KPERS issues subcommittee report be adopted. The motion carried on a voice vote.

Senator Salisbury moved, Senator Morris seconded that the original language be deleted from **HB 2624** and that the provisions of the KPERS Issues Subcommittee report be amended into the bill. The motion carried on a roll call vote.

Senator Salisbury presented the FY 2001 subcommittee report on **SRS - Community Developmental Disabilities Services (including KCDD)** (Attachment 2). Senator Ranson inquired whether the subcommittee had discussed the lack of continuity between CDDOs in prioritizing which clients are served and which are put on waiting lists. Laura Howard, Interim Assistant Secretary for Health Care Policy within SRS, stated that individuals access services on a first-come first-served basis except for crisis situations. However, CDDOs define crisis in vague ways. She added that the agency will address the issues of disparity and access to services in two forums - when new contracts are negotiated and during stakeholder meetings. Senator Ranson moved, Senator Lawrence seconded, that the subcommittee report be amended to recommend that SRS continue to develop guidelines or criteria for accessing services. Members of the subcommittee noted that these issues are evolving right now and the discussion has to take place before recommendations can be made. The motion carried on a voice vote.

Senator Salisbury read language which came at the request of legislators concerned about the conflict of interest in CDDOs (Attachment 3). It was noted that **SB 659** took the initiative to break up the CDDOs and separate the gatekeeper function from the service provider function. This language (Attachment 3) takes steps to reduce the conflict of interest and enumerates some of the steps they have to do to mitigate that. A representative from SRS stated that Senator Goodwin was pleased with the language, but not all stakeholders had reviewed it. A motion was offered by Senator Ranson and seconded by Senator Lawrence that the language in Attachment 3 be included in the report as a proviso in lieu of taking action on **SB 659** this session. The motion carried on a voice vote.

It was moved by Senator Salisbury and seconded by Senator Ranson that the subcommittee report as amended be adopted. The motion carried on a voice vote.

#### **SB 653: Intergovernmental transfers with nursing facilities**

In response to a question, it was stated that the establishment of the "long-term care loan fund" to be used, among other things, for the conversion of health care facilities to meet health care needs of rural areas was in the balloon version of the bill. Because members did not bring copies of the balloon version of **SB 653**, the Chairman postponed action on the bill until the next meeting.

The meeting was adjourned by the Chairman at 12:30 p.m. The next meeting will be March 23, 2000.