

SESSION OF 2006

SUPPLEMENTAL NOTE ON SENATE BILL NO. 375

As Amended by House Committee on
Higher Education

Brief*

SB 375 would make clarifying amendments to statutes governing long-term disability benefits for Board of Regents and state university employees. Legislation was passed during the 2005 Session which aligned state law with the federal Internal Revenue Code. An unintended consequence of the 2005 legislation was that the cash benefit for individuals eligible for long-term disability payments are being assessed for three fringe benefits which could not be utilized by these individuals. The bill would provide an exemption so that the assessment for these fringe benefits would not be included in the long-term disability payment.

The bill also would amend statutes governing the calculation of long-term disability benefits for members of the Kansas Public Employees Retirement System (KPERs). Under current law and regulation, the KPERs long-term disability benefits are set at 60 percent of the individual's monthly compensation with a maximum of \$5,000 per month. These benefits are reduced by the amount of any disability benefits received by the individual from other sources. The bill would provide an exemption for supplemental benefits provided by reason of the individual's employment when that supplemental benefit is based solely on the amount of the individual's compensation above the monthly maximum.

In addition, the bill would clarify that unclassified university support staff would continue in the Kansas Public Employees Retirement System rather than moving to the Board of Regents retirement plan. Employees in the university support staff positions are unclassified employees who were converted from classified positions under the provisions of legislation passed during the 2005 Session.

Finally, the bill would authorize any of the Regents' universities to provide vacation and discretionary leave to unclassified employees

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

in amounts that do not exceed such leave amounts available to unclassified employees of the institution. The amount of vacation and discretionary leave available to classified employees would be established by the President or Chancellor of the institution pursuant to policies of the Board of Regents and could vary from amounts of leave available to other classified state employees.

Background

The bill was introduced by the Legislative Educational Planning Committee as a part of the legislative package requested by the Board of Regents. At the Senate Committee on Education hearing on the bill, staff of the Board of Regents testified in favor of the bill. In addition, a representative of the University of Kansas Hospital Authority requested an amendment which did not affect the provisions of the base bill.

The Senate Committee of the Whole amended the bill to provide an exemption for supplemental benefits provided by reason of the individual's employment when that supplemental benefit is based solely on the amount of the individual's compensation above the monthly maximum.

At the House Higher Education Committee hearing on the bill, representatives of the State Board of Regents and the University of Kansas Hospital Authority presented testimony in support of the bill. No opponents of the bill presented testimony to the House Committee.

The House Committee amended the bill to authorize Regents' universities to set all employees' vacation and discretionary leave amounts at any level below a ceiling created by the amounts applicable to the unclassified employees of those institutions.

The fiscal note prepared by the Division of the Budget states that the fiscal impact on the bill as introduced would be a savings of \$6,542 in FY 2007. There is no revised fiscal note on the bill as amended.