AN ACT concerning the state workers compensation self-insurance fund; 
transferring administration of the fund to the department of 
administration; amending K.S.A. 2016 Supp. 44-575, 44-577 and 44-
578 and repealing the existing sections.

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

Section 1. K.S.A. 2016 Supp. 44-575 is hereby amended to read as 
follows: 44-575. (a) As used in K.S.A. 44-575 through 44-580, and 
amendments thereto, "state agency" means the state, or any department or 
agency of the state, but not including the Kansas turnpike authority, the 
university of Kansas hospital authority, any political subdivision of the 
state or the district court with regard to district court officers or employees 
whose total salary is payable by counties.

(b) For the purposes of providing for the payment of compensation 
for claims arising on and after July 1, 1974, and all other amounts required 
to be paid by any state agency as a self-insured employer under the 
workers compensation act and any amendments or additions thereto, there 
is hereby established the state workers compensation self-insurance fund 
in the state treasury. The name of the state workers compensation self-
insurance fund is hereby changed to the state workers compensation self-
insurance fund. Whenever the state workers compensation self-
insurance fund is referred to or designated by any statute, contract or other 
document, such reference or designation shall be deemed to apply to the 
state workers compensation self-insurance fund.

(c) The state workers compensation self-insurance fund shall be liable 
to pay: (1) All compensation for claims arising on and after July 1, 1974, 
and all other amounts required to be paid by any state agency as a self-
insured employer under the workers compensation act and any 
amendments or additions thereto; (2) the amount that all state agencies are 
liable to pay of the "carrier's share of expense" of the administration of the 
office of the director of workers' compensation as provided in K.S.A. 74-
712 through 74-719, and amendments thereto, for each fiscal year; (3) all 
compensation for claims remaining from the self-insurance program which 
existed prior to July 1, 1974, for institutional employees of the commission 
of community services and programs of the Kansas department for aging 
and disability services; (4) the cost of administering the state workers
compensation self-insurance fund including the defense of such fund and any costs assessed to such fund in any proceeding to which it is a party; and (5) the cost of establishing and operating the state workplace health and safety program under subsection (f). For the purposes of K.S.A. 44-575 through 44-580, and amendments thereto, all state agencies are hereby deemed to be a single employer whose liabilities specified in this section are hereby imposed solely upon the state workers compensation self-insurance fund and such employer is hereby declared to be a fully authorized and qualified self-insurer under K.S.A. 44-532, and amendments thereto, but such employer shall not be required to make any reports thereunder.

(d) The secretary of health and environment administration shall administer the state workers compensation self-insurance fund and all payments from such fund shall be upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the secretary of health and environment administration or a person or persons designated by the secretary. The director of accounts and reports may issue warrants pursuant to vouchers approved by the secretary for payments from the state workers compensation self-insurance fund notwithstanding the fact that claims for such payments were not submitted or processed for payment from money appropriated for the fiscal year in which the state workers compensation self-insurance fund first became liable to make such payments.

(e) The secretary of health and environment administration shall remit all moneys received by or for the secretary in the capacity as administrator of the state workers compensation self-insurance fund, to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the state workers compensation self-insurance fund.

(f) There is hereby established the state workplace health and safety program within the state workers compensation self-insurance program of the department of health and environment administration. The secretary of health and environment administration shall implement and the division of industrial health and safety of the Kansas department of labor shall assist in administering the state workplace health and safety program for state agencies. The state workplace health and safety program shall include, but not be limited to:

1. Workplace health and safety hazard surveys in all state agencies, including onsite interviews with employees;
2. Workplace health and safety hazard prevention services, including inspection and consultation services;
3. Procedures for identifying and controlling workplace hazards;
(4) development and dissemination of health and safety informational
materials, plans, rules and work procedures; and
(5) training for supervisors and employees in healthful and safe work
practices.

(g) Except as provided in this act, the secretary of administration
shall be the successor in every way to the powers, duties and functions of
the secretary of health and environment that relate to the state workers
compensation self-insurance fund, in which the same were vested prior to
the effective date of this act.

(h) All orders and directives of the secretary of health and
environment that relate to the state workers compensation self-insurance
fund in existence immediately prior to the effective date of this act shall
continue to be effective and shall be deemed to be the orders or directives
of the secretary of administration, until revised, amended, repealed or
nullified pursuant to law.

(i) All rules and regulations of the secretary of health and
environment that relate to the state workers compensation self-insurance
fund in existence immediately prior to the effective date of this act shall
continue to be effective and shall be deemed to be the rules and
regulations of the secretary of administration until revised, amended,
repealed or nullified pursuant to law.

(j) The secretary of administration shall succeed to all records that
were used for or pertain to the performance of the powers, duties and
functions transferred to the secretary of administration pursuant to this
act. Any conflicts as to the proper disposition of records arising under this
section shall be resolved by the governor, whose decision shall be final.

(k) Officers and employees who were engaged immediately prior to
the effective date of this act in the performance of powers, duties and
functions that are transferred pursuant to the provisions of this section,
and, in the opinion of the department of administration, are necessary to
perform the powers, duties and functions of the division of the state
workers compensation self-insurance fund shall become officers and
employees of the department of administration. Any such officer or
employee shall retain all retirement benefits, including the right to retain
active participation in the retirement system that the officer or employee
belong to on the effective date of this act, and all rights of civil service that
had accrued to or vested in such officer or employee prior to the effective
date of this act. The service of each such officer and employee so
transferred shall be deemed to have been continuous. All transfers and any
abolishment of personnel in the classified service under the Kansas civil
service act shall be in accordance with civil service laws and any rules
and regulations adopted thereunder.

Sec. 2. K.S.A. 2016 Supp. 44-577 is hereby amended to read as
follows: 44-577. (a) All claims for compensation under the workers
compensation act against any state agency for claims arising on and after
July 1, 1974, and claims for compensation remaining from the self-
insurance program which existed prior to July 1, 1974, for institutional
employees of the commission of community services and programs of the
Kansas department for aging and disability services shall be made against
the state workers compensation self-insurance fund. Such claims shall be
served upon the secretary of health and environment administration in the
secretary's capacity as administrator of the state workers compensation
self-insurance fund in the manner provided for claims against other
employers under the workers compensation act. The chief attorney for the
department of health and environment administration, or another attorney
of the department of health and environment administration designated by
the chief attorney, shall represent and defend the state workers
compensation self-insurance fund in all proceedings under the workers
compensation act.

(b) The secretary of health and environment administration shall
investigate, or cause to be investigated, each claim for compensation
against the state workers compensation self-insurance fund. For the
purposes of such investigations, the secretary of health and environment
administration is authorized to obtain expert medical advice regarding the
injuries, occupational diseases and disabilities involved in such claims. If,
based upon such investigation and any other available information, the
secretary of health and environment administration finds that there is no
material dispute as to any issue involved in the claim, that the claim is
valid and that the claim should be settled by agreement, the secretary of
health and environment administration may proceed to enter into such an
agreement with the claimant, for the state workers compensation self-
insurance fund. Any such agreement may provide for lump-sum
settlements subject to approval by the director and all such agreements
shall be filed in the office of the director for approval as provided in
K.S.A. 44-527, and amendments thereto. All other claims for
compensation against such fund shall be paid in accordance with the
workers compensation act pursuant to final awards or orders of an
administrative law judge or the board or pursuant to orders and findings of
the director under the workers compensation act.

(c) For purposes of the workers compensation act, a volunteer
member of a regional emergency medical response team as provided in
K.S.A. 48-928, and amendments thereto, shall be considered a person in
the service of the state in connection with authorized training and upon
activation for emergency response, except when such duties arise in the
course of employment or as a volunteer for an employer other than the
state.
Sec. 3. K.S.A. 2016 Supp. 44-578 is hereby amended to read as
follows: 44-578. The secretary of health and environment administration may adopt rules and regulations necessary for the administration of the state workers compensation self-insurance fund, including the processing and settling of claims for compensation made against such fund.

Sec. 4. K.S.A. 2016 Supp. 44-575, 44-577 and 44-578 are hereby repealed.

Sec. 5. This act shall take effect and be in force from and after its publication in the statute book.