

Approved: April 26, 2012

(Date)

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairperson Carolyn McGinn at 10:30 AM on Thursday, March 1, 2012 in 548-S of the Capitol.

All members were present.

Committee staff present:

Jan Lunn, Committee Assistant
Melinda Gaul, Chief of Staff, Senator McGinn's Office
Eli Johns, Intern, Senator McGinn's Office
J. G. Scott, Chief Fiscal Analyst, Legislative Research Department
Michael Steiner, Senior Analyst, Legislative Research Department
Bobbi Mariani, Fiscal Analyst, Legislative Research Department
Jill Wolters, Office of the Revisor of Statutes
David Wiese, Office of the Revisor of Statutes
Daniel Yoza, Office of the Revisor of Statutes

Others in attendance:

See attached list.

Bill introductions:

Senator McGinn introduced 12rs2345 concerning wildlife parks and tourism relating to vessel fees; Senator Schmidt seconded the motion, which carried on a voice vote.

Senator Schodorf moved introduction of 12rs2326 concerning school districts related to base state aid per pupil and the local option budget; Senator Kultala seconded the motion, which carried on a voice vote.

Senator Vratil moved introduction of 12rs2324 granting authority to the Schools for the Blind and Deaf to charge the home school district of a student for paraprofessional services and further authorize the home school districts to submit the paraprofessional for eligibility under the special education state aid law; Senator Teichman seconded the motion, which carried on a voice vote.

Subcommittee Reports:

Kansas State School for the Blind ([Attachment 1](#))

Senator Vratil reported on that the Subcommittee concurred with the Governor's FY 2013 recommendation with the following notations:

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1. Introduce legislation to authorize the School for the Blind to charge the home school district of a student at the School for the Blind for paraprofessional services and further authorize the home school districts to submit the paraprofessional position for eligibility under the special education state aid law.
2. Add language to establish a reserve fund within the School for the Blind budget for the receipt of unexpended funds.
3. Review at Omnibus the addition of \$81,950, all from the State General Fund (SGF), for additional instructional services for students. This funding would be used to provide Instructional Assistants, or paraprofessionals, to students with an Individual Education Program (IEP), which indicates the student requires additional support.

In response to questions, Senator Vratil clarified:

- The School had been charging home school districts for paraprofessional services; during the fall 2011, it was discovered that the School for the Blind had been charging for these services, which were unsupported by statute. Therefore, the Subcommittee recommended introducing legislation, establishing a fund to receive the dollars, and reviewing the addition \$81,950 from the SGF for FY 2013, which is the amount reimbursable to the School for the Blind for paraprofessional services expenditures.
- The School for the Blind did not communicate the issue to the Governor's office; therefore, the shortage for FY 2012 (approximately \$21,000) was not requested for inclusion in a Governor's Budget Amendment (GBA).

Kansas State School for the Deaf:

Senator Vratil explained the Subcommittee concurred with the Governor's FY 2013 recommendation with the same notations as were discussed under the Subcommittee report for the School for the Blind with the exception of the bullet point number three, which is as follows:

- Review at Omnibus the addition of \$328,549, all from the SGF, for additional instructional services for students. This funding would be used to provide Instructional Assistants, or paraprofessionals, to students with an Individualized Education Program (IEP) which indicates the student requires additional support.

Kansas State Department of Education:

Senator Vratil reported the Subcommittee concurred with the Governor's FY 2013 recommendation with the following adjustments and notations:

1. Delete \$500,000, from SGF, for the Mentor Teacher Program for FY 2013. The Subcommittee noted the remaining balance in the program is \$600,000.
2. Add \$500,000, SGF, for the Kansas Educator Evaluation Protocol (KEEP) and state accreditation. The Department of Education with guidance from the Educational Testing Service and in collaboration with the Kansas Learning Network schools is developing a

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- reliable, researched based evaluation instrument that conforms to the federal mandates. The instrument will be available for use by all Kansas districts that choose to implement it.
3. Add \$1.0 million, from SGF, for special education maintenance of effort (MOE) for FY 2013. The Department of Education provided testimony indicating that the special education FY 2013 appropriation is within approximately \$400,000 of the MOE requirement set forth by the federal government.
 4. Add language for FY 2013 stating that any additional funds received in the Children's Initiatives Fund (CIF) over \$40.0 million shall go to the Parents As Teachers program with first priority, up to \$1.0 million. Second priority would go to the Kansas Pre-School Program, up to \$500,000. The Subcommittee notes the need for added funding for the programs and believes they should be given first priority should additional funds become available.
 5. Add \$1.0 million, all from CIF, for the Parents As Teachers program for FY 2013, subject to available funding. Under the Governor's recommendation, the program would sustain a budget reduction of \$2.2 million below the FY 2012 recommendation, which would eliminate services to 4,500 students and their parents for FY 2013.
 6. Add \$500,000, all from CIF, for the Kansas pre-School Program for FY 2013, subject to available funding. Under the Governor's recommendation, the program would sustain a budget reduction of \$1.5 million below the FY 2012 recommendation, which would eliminate services to approximately 450 students.
 7. Add \$65,663, all from SGF, for costs associated with an increase in the transaction fee for the Financial Management System (FMS), also known as SMART. The fee is proposed to increase from 0.67 to \$1.01 transaction for FY 2013.
Add \$50,000, all from SGF, to fill an existing 1.0 FTE Applications Developer II position to maintain the Uniform Financial Accounting system for FY 2013.
 8. Delete \$28.9 million, from SGF, from the Technical Education Grants program fund for FY 2013.
Add \$28.9 million, from SGF, to General State Aid and maintain the .5 weighting for career and technical education for FY 2013.
 9. Review at Omnibus the addition of \$2.5 million, from SGF, for professional development for FY 2013.
 10. The Subcommittee notes that under KSA 72-64c03 the money necessary to fund General State Aid and Supplemental General State Aid under the School District Finance and Quality Performance Act and state aid for the provision of special education and related services under the special education for exceptional children act shall be given first priority in the legislative budgeting process and shall be paid first from existing state revenues.
 11. The Subcommittee notes that \$477.5 million would be necessary to increase the Base State Aid Per Pupil (BSAPP) to \$4,492 per KSA 72-6410 for FY 2013. The Subcommittee reviewed a chart detailing what the BSAPP would have been as adjusted according to the Consumer Price Index, based on 2011 dollars.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

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Committee members' questions and comments follow:

- Senator Masterson explained the absence of his signature on the Subcommittee report reflected his disagreement with bullet point 13; he indicated he was comfortable with the remainder of the notations and adjustments.
- Senator Vratil indicated the Subcommittee did not identify funding sources for the MOE (\$1.0 million), SMART (\$65,663), or funding for a 1.0 FTE Applications Developer II position (\$50,000). Fiscal analysts are working to locate necessary funding.
- With regard to the partial funding restoration for the Kansas Pre-School and Parents As Teachers programs, Senator Vratil elaborated that the Subcommittee did not discuss fully funding these programs, given the Attorney General's expectation that the pending litigation could reduce funding. A committee member expressed concern that an unusual and dangerous precedent could be established when any branch of government uses different figures or assumptions other than those that come from the consensus revenue estimating group. The Subcommittee recommended partial funding restoration for these programs based on a \$40 million trigger in the CIF and also recommended additional program funding when monies are available. Senator Vratil commented that the Subcommittee report contains recommendations based on requests from directors of these programs. Senator Kelly moved to amend bullet point #5 to read: If the Children's Initiatives Fund receives over \$40.0 million, recommend Parents As Teachers program for FY 2013 be considered for full funding restoration up to \$2.5 million; also to amend bullet point #6 to read: If the Children's Initiatives Fund receives over \$40.0 million, recommend Kansas Pre-School Program for FY 2013 be considered for full funding restoration up to \$1.5 million. The Children's Cabinet is responsible for the final appropriations decision. The motion was seconded by Senator Kultala. Following discussion on the proposed amendment and how it would work, Senator Kelly, with the permission of Senator Kultala (who seconded the motion), offered a substitute motion to restore full funding for the Parents As Teachers Program for FY 2013 in the amount of \$2.5 million and to restore full funding for the Kansas Pre-School Program for FY 2013 in the amount of \$1.5 million; if the Children's Initiatives Fund receipts are less than \$40.0 million, the Senate Ways and Means Committee would consider appropriations at Omnibus. Senator Kultala seconded the motion. Following discussion, Senator Kelly withdrew the substitute motion; Senator Kultala withdrew her second.

Senator Francisco moved to strike "\$1.0 million" in line three of bullet point 4 and to insert "\$2.5 million" (for the Parents As Teachers program); and to strike "\$500,000" in line 4 of bullet point 4 and to insert "\$1.5 million" (for the Kansas Pre-School Program); Senator Schmidt seconded the motion, which carried on a voice vote.

Senator Francisco moved to strike "\$1.0 million" and to insert "\$2.5 million" in line one of bullet point 5 (for the Parents As Teachers program) and to strike "\$500,000" and to

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insert "\$1.5 million" in line one of bullet point 6 (for the Kansas Pre-School Program). Senator Schmidt seconded the motion, which carried on a voice vote.

Senator Vratil moved to delete Subcommittee recommendations in bullet points 3, 7, and 8 if the Chair of the Senate Ways and Means Committee and Chair of the Subcommittee are unable to locate a funding source for the required \$1.1 million (MOE, FMS, and 1.0 FTE); Senator McGinn seconded the motion, which carried on a voice vote.

Senator Vratil moved adoption of the School for the Blind, School for the Deaf, and the Department of Education Subcommittee reports as amended; Senator Teichman seconded the motion, which carried on a voice vote.

Continued discussion on SB 436--Creating the Kansas newborn screening fund:

Senator Schmidt reported communication had occurred with representatives from the Kansas Department of Health and Environment regarding discussion heard at the February 29, 2012 meeting. Senator Schmidt moved to revise the bill (on page 4) as follows: "Each month, the director of accounts and reports shall determine the amount credited to the state general fund pursuant to K.S.A. 40-3213, and amendments thereto, and shall transfer the amount equal to the amount so determined from the state general fund to the Kansas newborn screening fund. ~~except that the aggregate amount transferred for any fiscal year shall not exceed \$3,000,000.~~" Senator Kelly seconded the motion.

Discussion followed with several suggestions for revising the motion. It was suggested that additional time be allowed for the Revisor to review the intent of Senator Schmidt's conceptual motion.

Chairperson McGinn indicated the motion on the floor would be considered on March 2, following review by the Revisor's office. A committee member suggested the revision contain the process for receiving the funding from the Health Maintenance Organizations' (HMOs) privilege fees to the SGF, the transfer from the SGF to the Kansas Department of Health and Environment (KDHE), and the expenditures as a line item shown in the KDHE budget.

The meeting was adjourned at 11:27 a.m.