

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairperson Carolyn McGinn at 10:30 a.m. on February 21, 2011, in Room 548-S of the Capitol.

All members were present

Committee staff present:

Jill Wolters, Office of the Revisor of Statutes
Daniel Yoza, Office of the Revisor of Statutes
David Wiese, Office of the Revisor of Statutes
Alan Conroy, Director, Legislative Research Department
J. G. Scott, Chief Fiscal Analyst, Legislative Research Department
Aaron Klaassen, Senior Fiscal Analyst, Legislative Research Department
Dorothy Hughes, Fiscal Analyst, Legislative Research Department
Brea Short, Intern, Senator McGinn's Office
Jan Lunn, Committee Assistant
Josh Lewis, Chief of Staff

Others attending:

See attached list.

Bill Introductions

Senator Teichman moved introduction of a bill concerning the civil commitment of sexually violent predators (#rs0985). The motion was seconded by Senator Emler and passed on a voice vote.

Senator Emler moved introduction of a bill (#rs0929) concerning the abolishment of the fire marshal office and the transferring of duties, functions to other agencies. Senator Masterson seconded the motion. The motion passed on a voice vote.

Senator Umbarger moved introduction of a bill concerning lightweight roadable vehicles (#rs0980). Senator Emler seconded the motion, which passed on a voice vote.

Subcommittee Reports

Senator McGinn announced the Senate Ways and Means Committee will hear the Office of the Governor Subcommittee report rather than Social and Rehabilitation Services (SRS) today.

Chairperson McGinn recognized Senator Schodorf, Subcommittee Chairperson, to report on the Department on Aging.

Senator Schodorf expressed appreciation to the Subcommittee members for their work and reported on final recommendations concerning the Department on Aging (Attachment 1).

For FY 2011 and FY 2012, the Department on Aging Subcommittee concurred with the Governor's recommendation with adjustments. Discussion was heard concerning the Nursing Facility Provider Assessment fees, a potential Department on Aging reorganization plan, and other points included in the report. Senator Schodorf moved to amend the Department on Aging Subcommittee report to reflect review of all recommendations and adjustments submitted for FY 2011 and FY 2012 prior to finalization of the Mega bill. Senator Teichman seconded the motion, which passed on a voice vote.

Shawn Sullivan, Secretary of the Department on Aging, substantiated that the nursing provider assessment fees legislation passed during the 2010 legislative session can now be implemented.

Senator Schodorf moved adoption of the Department on Aging Subcommittee report for FY 2011 and FY 2012 as amended and including any and all technical adjustments required. Senator Umbarger seconded the motion, which passed on a voice vote.

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Senator Schodorf discussed the Subcommittee's recommendations for the following facilities and program:

- Larned State Hospital
- Osawatomie State Hospital
- Rainbow Mental Health Facility
- Parsons State Hospital
- Kansas Neurological Institute
- Kansas Guardianship Program

Senator Kultala indicated she did not support the subcommittee report on the Kansas Guardianship Program; she did concur with the remaining Subcommittee report and recommendations on the state hospitals/facilities.

Larned State Hospital

Senator Schodorf reported Subcommittee members concurred with the Governor's recommendations in FY 2011 and concurred with the Governor's FY 2012 recommendation with adjustments (Attachment 2). Discussion was heard related to staffing, bed capacity, the impact of closing beds at Rainbow Mental Health Facility, and the challenges ensuring quality services are provided to Kansans who need them.

Senator Schodorf moved to adopt the FY 2011 Subcommittee report as presented. In addition, Senator Schodorf moved to amend the FY 2012 Subcommittee report under page 3, number 3 as follows: "The populated counties such as Johnson, Wyandotte, Shawnee, and Sedgwick typically have the optimal increased resources for affordable housing . . . "to add the following language "to review the Subcommittee recommendations prior to finalization of the Mega bill," to include any and all technical adjustments required, and to adopt the Larned State Hospital FY 2012 Subcommittee report as amended. Senator Kelly seconded the motion, which carried on a voice vote.

Osawatomie State Hospital

Senator Schodorf reported Subcommittee members concurred with the Governor's FY 2011 recommendations and concurred with the FY 2012 recommendations with notations.

Senator Schodorf moved to adopt the FY 2011 Osawatomie State Hospital Subcommittee report as presented. In addition, Senator Schodorf moved to amend the FY 2012 Subcommittee report with the following language: "to review the Subcommittee recommendations prior to finalization of the Mega bill," to include any and all technical adjustments required, and to adopt the Osawatomie State Hospital Subcommittee report as amended. Senator Kelly seconded the motion, which passed on a voice vote.

Senator Schodorf reported Subcommittee members concurred with the Governor's FY 2011 recommendations and concurred with the FY 2012 recommendations with notations. Senator Schodorf moved adoption of the FY 2011 and FY 2012 Rainbow Mental Health Facility Subcommittee report. Senator Francisco seconded the motion, which carried on a voice vote.

Parsons State Hospital and Training Center (PSH&TC)

Senator Schodorf reported Subcommittee members concurred with the Governor's FY 2011 recommendations and concurred with the FY 2012 recommendation with adjustments.

Senator Schodorf moved adoption of the FY 2011 Parsons State Hospital and Training Center Subcommittee report. For FY 2012, she moved to amend the Subcommittee report with the addition of language "to review recommendations prior to finalization of the Mega bill," and to adopt the FY 2012 Subcommittee report as amended. Senator Umbarger seconded the motion, which passed on a voice vote.

Kansas Neurological Institute (KNI)

Senator Schodorf expressed gratitude to all speakers for appearing before the Subcommittee. She reported that the Subcommittee concurred with the FY 2011 Governor's recommendation and the FY 2012 Governor's recommendation including adjustments.

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Considerable discussion was heard related to this Subcommittee report, the number of KNI residents identified as those who could be successful in a community-based services environment, and how to replace \$277,039 in SGF funds, which was the Governor's savings estimate should KNI close.

Senator Schmidt suggested that verbiage exists in other reports directing agencies to absorb such reductions within their budgets. She called committee members' attention to the Larned State Hospital FY 2012 Subcommittee notation under #5:

"The Subcommittee notes that sufficient resources are required to ensure that quality state hospital services are available to Kansans who need them. Therefore, the stated hospitals have not submitted reduced resource budgets, but instead, SRS' reduced resource budget includes the reduced resource targets for the state hospitals and SRS strives to absorb budget reduction for their hospitals. The Subcommittee encourages SRS to continue this practice."

Senator Schmidt moved to amend the Subcommittee report directing that SRS absorb the \$277,039 within their budget and incorporate similar language as noted above. Senator Huntington seconded the motion, which carried on a voice vote. Senators Emler and Taddiken requested their "no" votes be recorded in the permanent record.

Senator McGinn expressed concern that the Subcommittee recommendation concerning an independent audit for the purpose of evaluating the overall management and service structure of KNI and PSH&TC may not be possible by the time the Mega bill is finalized. Therefore, Senator McGinn moved an independent audit, as described in the Subcommittee's notation, be completed and provided to the Chairperson of the Senate Ways and Means Committee by September 1, 2011. Senator Francisco seconded the motion, which passed on a voice vote.

Senator Schodorf moved adoption of the FY 2011 Kansas Neurological Institute Subcommittee report. Senator Schmidt seconded the motion, which carried on a voice vote.

Senator Schodorf moved adoption of the FY 2012 Kansas Neurological Institute Subcommittee report as amended. Senator Schmidt seconded the motion, which passed on a voice vote. Senators Emler and Taddiken requested that their "no" votes be recorded in the record.

Kansas Guardianship Program

Senator Schodorf reported Subcommittee members concurred with the Governor's recommendation in FY 2011. In addition, Subcommittee members concurred with the Governor's FY 2012 recommendation with comments and notations including an additional review at Omnibus.

Senator Shodorf moved adoption of the FY 2011 and FY 2012 Kansas Guardianship Program Subcommittee report. Senator Huntington seconded the motion, which passed on a voice vote. Senator Kultala requested that her "no" vote be included in the permanent record.

Office of Governor

Senator Huntington reported that Subcommittee members concurred with the Governor's FY 2012 recommendation with adjustments and observations (Attachment 3). It was suggested to amend the report to reflect review prior to finalization of the Mega bill (instead of Omnibus) of the following issue:

- Possible consolidation of funding for domestic violence prevention grants and Children's Advocacy Center grants into one agency.

Extensive discussion was heard concerning compensation allocated to the Lieutenant Governor, who will provide oversight of health issues relating to the Kansas Department of Health and Environment (KDHE). Senator Huntington reported the Lieutenant Governor will serve as the Coordinator of the Subcabinet Group on Health Policy. David Kensinger, Chief of Staff in the Governor's Office, indicated the Subcabinet Group is comprised of cabinet secretaries whose focus is the provision of health care (SRS, Aging, KDHE, and Department of Corrections).

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Senator Teichman emphasized the importance of including the Commissioner of the Kansas Insurance Department in that group and suggested the group be renamed the "Subcommittee Group on Health Policy."

Senator Vratil clarified that the agency's request added \$95,000, from the SGF, to augment the salary of the Lieutenant Governor (equal funding was reduced in the KDHE budget). The Lieutenant Governor's compensation is \$54,000 (with fringe benefits) for FY 2012. The total compensation includes \$36,000 (statutory) with \$18,000 from other funding sources, which leaves \$77,000 (of the \$95,000 request) remaining. This amount appears to have been shifted to other uses within the Governor's Office. Discussion was heard regarding the lack of transparency when funding is shifted in this manner. Senator Vratil reported an Office of the Extraditor has been created in the Governor's Office, according to information presented during Subcommittee meetings.

Discussion concerning FTE positions ensued. Senator Huntington moved to amend the Office of the Governor Subcommittee report to include a deletion of 3.5 FTE positions. The motion was seconded by Senator Emler.

Senator Kelly requested additional clarification from the Governor's office concerning the deletion of the FTE positions, the role the Lieutenant Governor will play, and whether additional discussion occurred regarding the creation of an additional position for the Lieutenant Governor. Mr. Kensinger responded the plan was a reasonable way to proceed given the precedent established by the previous administration.

Senator Vratil offered a substitute motion to reduce the Senate Subcommittee's adjustment to (3.0) FTE positions instead of the proposed (3.5) FTE positions leaving a 0.5 FTE position for the Coordinator of the Subcabinet Group on Health Policy. Senator Masterson seconded the motion, which carried on a voice vote.

Senator Huntington moved to further amend the Office of the Governor Subcommittee report to:

- reflect the Lieutenant Governor's title as discussed.
- reduce the FTEs to (3.0), leaving a 0.5 FTE position, and
- acknowledge the policy for paying for staff from other agencies was established from a previous administration.

Senator Schodorf seconded the motion.

Senator Kelly indicated several issues require further clarification before finalization of the Mega bill:

- The addition of \$95,000 without knowledge of distribution.
- The cost/expectation for the Office of the Extraditor when the function has existed (as mandated by federal law), and what rationale prompted the transfer of funding from KDHE for a full-time position that has existed.
- The consequence when funds are transferred between agencies and corresponding positions are not.

Senator McGinn suggested adding the language as noted above (Senator Kelly) under the Senate Subcommittee recommendation before point #1. Senator Huntington agreed to add this language to her motion.

Senator Teichman elaborated that the Insurance Commissioner is involved in implementing provisions of the Patient Protection and Affordable Care Act (PPACA). Therefore, she is an integral part of a group charged with developing and monitoring health policy. Discussion followed in which David Kensinger, Chief of Staff of the Governor's Office, suggested renaming the group to "Health Policy Working Group" and to include the Commissioner of Insurance. Senator Teichman made a substitute motion that:

- the "Subcabinet Group on Health Policy" be renamed to "Health Policy Working Group" and to include the Commissioner of the Kansas Department of Insurance (KID) in this group.
- to include Senator Huntington's motion (above) in the substitute motion.
- to include the language concerning the Office of the Extraditor (Senator Kelly's recommendation), and

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- to review prior to finalizing the Mega bill.

The motion was seconded by Senator Kultala. The motion passed on a voice vote.

Senator Huntington moved adoption of the Office of the Governor Subcommittee report as amended. Senator Kelly seconded the motion. The motion carried on a voice vote.

The meeting was adjourned at 12:05 p.m.