

MINUTES OF THE SENATE COMMITTEE ON SENATE WAYS AND MEANS.

The meeting was called to order by Chairperson Steve Morris at 10:05 a.m. on March 2, 2001 in Room 123-S of the Capitol.

All members were present except: Senator Christine Downey - excused

Committee staff present:

Alan Conroy, Chief Fiscal Analyst, Kansas Legislative Research Department
Debra Hollon, Kansas Legislative Research Department
Amory Lovin, Kansas Legislative Research Department
Leah Robinson, Kansas Legislative Research Department
Tom Severn, Kansas Legislative Research Department
Carolyn Rampey, Kansas Legislative Research Department
Paul West, Kansas Legislative Research Department
Norman Furse, Revisor of Statutes
Michael Corrigan, Assistant Revisor, Revisor of Statutes Office
Julie Weber, Administrative Assistant to the Chairman
Mary Shaw, Committee Secretary

Conferees appearing before the committee:

Irene Cumming, President and CEO of the University of Kansas Hospital Authority

Others attending: See attached guest list

Subcommittee budget reports on the **Legislative and Elected Officials** (Attachment 1):

Legislature (Attachment 2)

Senator Adkins reported that the Subcommittee concurs with the Governor's recommendation in FY 2001.

Senator Adkins reported that the Subcommittee concurs with the Governor's recommendations in FY 2002 with adjustment and comment as listed in the subcommittee budget report.

Legislative Coordinating Council (Attachment 3)

Senator Adkins reported that the Subcommittee concurs with the Governor's recommendations for FY 2001.

Senator Adkins reported that the Subcommittee concurs with the Governor's recommendations for FY 2002 with adjustments as listed in the subcommittee budget report.

Revisor of Statutes (Attachment 4)

Senator Adkins reported that the Subcommittee concurs with the Governor's recommendations for FY 2001.

Senator Adkins reported that the Subcommittee concurs with the Governor's recommendations for FY 2002 with adjustment as listed in the subcommittee budget report.

Legislative Division of Post Audit (Attachment 5)

Senator Adkins reported that the Subcommittee concurs with the Governor's recommendations for FY 2001.

Senator Adkins reported that the Subcommittee concurs with the Governor's recommendations for FY 2002 with adjustment as listed in the subcommittee budget report.

Kansas Legislative Research Department (Attachment 6)

Senator Adkins reported that the Subcommittee concurs with the Governor's recommendations in FY 2001.

Senator Adkins reported that the Subcommittee concurs with the Governor's recommendations for FY 2002 with adjustments as listed in the subcommittee budget report.

Senator Adkins moved, with a second by Senator Jordan, to amend the Subcommittee budget report for FY 2002 to include the following: "The Subcommittee notes that in July 2000, Chief Fiscal Analyst Alan Conroy was presented with a Legislative Staff Achievement Award by the National Association of Legislative Fiscal Offices (NALFO) staff section of the National Conference of State Legislatures. Each NCSL staff section may present two Staff Achievement Awards each year and recipients of the NALFO award are selected based on three criteria: how the nominee's work has contributed to the resolution of a fiscal policy issue in the state legislature; how the nominee's work has made a significant contribution toward educating legislators or the public about the fiscal dimensions of a public policy issue; or how the nominee's work has made other unique contributions to furthering the role and development of fiscal staff assistance to the legislative process. The Subcommittee congratulates Alan on this well-deserved recognition and expresses appreciation for his dedicated service to the Kansas Legislature." Motion carried by a voice vote.

Governor (Attachment 7)

Senator Adkins reported that the Subcommittee concurs with the Governor's recommendations for FY 2001.

Senator Adkins reported that the Subcommittee concurs with the Governor's recommendations for FY 2002 with adjustment as listed in the subcommittee budget report.

Lieutenant Governor (Attachment 8)

Senator Adkins reported that the Subcommittee concurs with the Governor's recommendations for FY 2001.

Senator Adkins reported that the Subcommittee concurs with the Governor's recommendations for FY 2002 with adjustment as listed in the subcommittee budget report.

Attorney General (Attachment 9)

Senator Adkins reported that the Subcommittee concurs with the Governor's recommendations for FY 2001.

Senator Adkins reported that the Subcommittee concurs with the Governor's recommendations for FY 2002 with exceptions as listed in the subcommittee budget report.

Secretary of State (Attachment 10)

Senator Adkins reported that the Subcommittee concurs with the Governor's recommendations for FY 2001 with notation as listed in the subcommittee budget report

Senator Adkins reported that the Subcommittee concurs with the Governor's recommendations for FY 2002 with adjustments and notation as listed in the subcommittee budget report.

Kansas Insurance Department (Attachment 11)

Senator Adkins reported that the Subcommittee concurs with the Governor's recommendations for FY

2001 with exceptions as listed in the subcommittee budget report.

Senator Adkins reported that the Subcommittee concurs with the Governor's recommendations for FY 2002 with comments and exceptions as listed in the subcommittee budget report.

State Treasurer (Attachment 12)

Senator Adkins reported that the Subcommittee concurs with the Governor's recommendations for FY 2001 with adjustments as listed in the subcommittee budget report.

Senator Adkins reported that the Subcommittee concurs with the Governor's recommendations for FY 2002 with adjustments as listed in the subcommittee budget report.

Senator Feleciano moved, with a second by Senator Barone, regarding demand transfers in Item Number 4 in FY 2002 to not concur with the recommendation of the subcommittee and to concur with the Governor's recommendation. Committee questions and discussion followed.

Senator Salmans moved a substitute motion, with a second by Senator Schodorf, to leave Item Number 4 as the subcommittee recommended and reconsider the issue at Omnibus. Detailed committee questions and discussion followed. Motion carried by a show of hands.

Chairman Morris thanked the Committee for a good debate.

Health Care Stabilization Fund (Attachment 13)

Senator Adkins reported that the Subcommittee concurs with the Governor's recommendations for FY 2001.

Senator Adkins reported that the Subcommittee concurs with the Governor's recommendations for FY 2002 with exceptions as listed in the subcommittee budget report.

Senator Adkins moved, with a second by Senator Jackson, to approve the Subcommittee budget report as amended on the Legislative and Elected Officials. Motion carried by a voice vote.

Senator Feleciano asked if it was possible to get a copy of a recently released report by Legislative Post Audit regarding premium tax reductions. Barbara Hinton, Legislative Post Auditor, Legislative Post Audit, responded that they found that the initial estimates of the impact of the premium tax reductions were \$4 million dollars the first year and about \$12 million dollars the next year. The Insurance Department estimates that in 2002, the taxes will be about \$30 - \$35 million dollars less than they were in 1998. In the report that they have available now, they looked at some options that the Legislature could consider. Chairman Morris noted that this may be more information for the Financial and Insurance Committees but the Chairman may, if possible, try to schedule a time for Ms. Hinton to speak before the committee.

Update on the University of Kansas Hospital Authority

Chairman Morris welcomed Irene Cumming, President and Chief Executive Officer of the University of Kansas Hospital Authority (Attachment 14). In addition to giving an update on the University Hospital Authority, Ms. Cumming mentioned that she would endorse anything that can be done to restore funding to the University. She noted that this is more than an education issue and it is more of a health care issue. Ms. Cumming noted that support for research, especially the life sciences, is a key to attracting new high technology business to the state. In testimony, Ms. Cumming noted that another factor in their finances is uncompensated care. She noted that even though they have a broader, more complex mission than a community hospital, this current fiscal year they expect to provide \$28.5 million in uncompensated care.

Senator Adkins thanked Ms. Cumming for bringing to the Committee's attention some of the demands that the indigent uncompensated care places on the hospital. He is interested in finding ways to not put unrealistic burdens on the hospital and whatever actions can be taken to shift those burdens where they rightfully belong. Ms. Cumming mentioned that the University of Kansas Hospital Authority can pull together information regarding uncompensated care and they would appreciate any support in that area.

In response to a question by Chairman Morris, Ms. Cumming mentioned that they must provide care to all who come to their hospital emergency room. She explained that the Medicaid payments that they receive for indigent patients from Missouri Medicaid is lower than they receive from Kansas.

Senator Schodorf moved, with a second by Senator Jordan, as a committee request that the Governor of Kansas write a letter to the Governor of Missouri regarding the situation of discrimination regarding Missouri Medicaid which has been an issue for many years. Motion carried by a voice vote. Staff will compose the letter.

Chairman Morris thanked Ms. Cumming for the information provided regarding the update on the University of Kansas Hospital Authority.

The meeting was adjourned at 11:30 a.m. The next meeting is scheduled for March 5, 2001. There is a joint meeting scheduled for March 5, 2001, with the House Appropriations Committee.