

Approved: May 7, 2008
Date

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairman Dwayne Umbarger at 10:40 A.M. on March 19, 2008, in Room 123-S of the Capitol.

All members were present except:

Senator Donald Betts, Jr. - excused

Committee staff present:

Jill Wolters, Senior Assistant, Revisor of Statutes
Kristen Clarke Kellems, Assistant Revisor of Statutes
Audrey Dunkel, Kansas Legislative Research Department
Julian Efird, Kansas Legislative Research Department
Leah Robinson, Kansas Legislative Research Department
J. G. Scott, Kansas Legislative Research Department
Jarod Waltner, Kansas Legislative Research Department
Melinda Gaul, Chief of Staff, Senate Ways & Means
Mary Shaw, Committee Assistant

Conferees appearing before the committee:

Duane Goossen, Director, Division of the Budget and Secretary, KS Dept. of Administration
Ron Gardner, Kansas Coalition of Public Retirees
Linda Hubbard, Retired, Kansas Department of Labor
Senator Anthony Hensley
Ed Klumpp, on behalf of the Kansas Association of Chiefs of Police, Kansas Peace Officers and
the Retired Firefighters
Dr. Harry Ludwick, Executive Director, Kansas Association of Retired School Personnel
Bill Layes, Kansas Coalition of Public Retirees
Terry Forsyth, Kansas National Education Association

Others attending:

See attached list.

The Chairman turned the Committee's attention to discussion of:

SB 417—Establishing a housing development grant program; waiving certain requirements for rural housing incentive district creation

Senator Schodorf moved, with a second by Senator Kelly, to remove the contents of **HB 2541** and amend the provisions of **SB 417** into **Senate Substitute for HB 2541**. Motion carried on a voice vote.

Senator Kelly moved, with a second by Senator Goodwin, to recommend **Senate Substitute for HB 2541** favorable for passage. Motion carried on a roll call vote.

Copies of the Kansas Legislative Research Department Budget Analysis Report for FY 2008 and FY 2009 were available to the committee.

Subcommittee reports on:

Kansas Department of Health and Environment - Health (Attachment 1)

Subcommittee Chairwoman Vicki Schmidt reported that the subcommittee on the Kansas Department of Health and Environment - Health concurs with the Governor's recommendation in FY 2008 with an adjustment and concurs with the Governor's FY 2009 recommendation with adjustments and observations.

Senator Taddiken moved, with a second by Senator V. Schmidt, to amend the subcommittee report on the

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Kansas Department of Health and Environment - Health in FY 2009, Item No. 4, to delete contingent upon **SB 584** becoming law, and if it does, put positions/funding in the Department of Agriculture. Motion carried on a voice vote.

Senator V. Schmidt moved, with a second by Senator Kelly, to adopt the subcommittee report on the Kansas Department of Health and Environment - Health in FY 2008 and FY 2009 as amended. Motion carried on a voice vote.

Kansas Department of Health and Environment - Environment

Subcommittee Chairwoman Vicki Schmidt reported that the subcommittee on the Kansas Department of Health and Environment - Environment concurs with the Governor's recommendation in FY 2008 and concurs with the Governor's FY 2009 recommendation with adjustments and observations.

Senator McGinn moved, with a second by Senator V. Schmidt, to amend the subcommittee report on the Kansas Department of Health and Environment (Environment) and request program updates on how much money was spent and how it was spent by Omnibus. Motion carried on a voice vote.

Senator V. Schmidt moved, with a second by Senator Schodorf, to adopt the subcommittee report on the Kansas Department of Health and Environment - Health in FY 2008 and FY 2009 as amended. Motion carried on a voice vote.

The Chairman opened the public hearing on:

SB 661--KPERs three-year cost-of-living increase for certain retirants

The Chairman welcomed the following conferees:

Duane Goossen, Director, Division of the Budget and Secretary, Kansas Department of Administration, spoke in support of **SB 661** (Attachment 2). Director Goossen explained that **SB 661** implements the Governor's proposal to provide a 1.0 percent KPERs cost-of-living-adjustment in each of the next three years. He addressed a chart attached to his testimony concerning how the cost of the proposed COLA increases fit in with payments already made to the KPERs system.

Ron Gardner, Kansas Coalition of Public Retirees, testified in support of **SB 661** (Attachment 3). Mr. Gardner noted that the last adjustment in retiree benefits was in 1998, ten years ago. This issue has become critical for those on fixed income. Mr. Gardner mentioned rising costs on food, health care, medicine, utilities, gasoline and that makes a huge problem for retirees.

Linda Hubbard, Retired, Kansas Department of Labor, testified as a proponent on **SB 661** (Attachment 4). Ms. Hubbard examples of real people where they are facing difficulty with no COLA increases. She pointed out that none of these people want a hand out, but only to receive a reasonable return from the investment they made in their retirement system.

Senator Anthony Hensley testified in support of **SB 661** (no written testimony was submitted). Senator Hensley explained that this would be a multi-year adjustment which has not been done before. He noted that there has been no COLA in ten years. This would help people with increased costs in healthcare, medicines, utilities, gas and food.

Ed Klumpp, on behalf of the Kansas Association of Chiefs of Police, Kansas Peace Officers and the Retired Firefighters, spoke in support of **SB 661** (Attachment 5). Mr. Klumpp explained that the Kansas Associations of Chiefs of Police, the Kansas Peace Officers Association and the Kansas Sheriffs Association met in February to discuss legislative issues in the current session and voted on identified legislative priorities. They see it as a critical need.

Dr. Harry Ludwick, Executive Director, Kansas Association of Retired School Personnel, testified as a

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proponent on **SB 661** (Attachment 6). Dr. Ludwick mentioned that during almost 11 years retirees have lost over 27 percent of their buying power. Passing **SB 661** would not make them whole, but a 1 percent raise for the next three years will show them that the State of Kansas has not discarded their retirees.

Bill Layes, of the Kansas Coalition of Public Retirees, and retired from the Kansas Department of Labor, spoke in support of **SB 661** (Attachment 7). Mr. Layes mentioned that it has been ten years since KPERS retirees have been granted any COLA, since 1998. During this time, inflation has risen dramatically in the U. S. economy. **SB 661** would help with these rising costs.

Terry Forsyth, Kansas National Education Association, testified in support of **SB 661** (Attachment 8). Mr. Forsyth mentioned that the current retired, as a group, desperately need the assistance a COLA would provide given the current economic status of the country. KNEA urges support of **SB 661**.

The Chairman closed the public hearing on **SB 661**.

The meeting adjourned at 12:15 p.m. The next meeting was scheduled for March 20, 2008.