

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairman Jay Emler at 10:30 a.m. on March 2, 2009, in Room 545-N of the Capitol.

All members were present except:

Senator Laura Kelly - excused
Senator Vicki Schmidt - excused

Committee staff present:

J. G. Scott, Kansas Legislative Research Department
Michael Steiner, Kansas Legislative Research Department
Estelle Montgomery, Kansas Legislative Research Department
Heather O'Hara, Kansas Legislative Research Department
Jarod Waltner, Kansas Legislative Research Department
Julian Efird, Kansas Legislative Research Department
Amy Deckard, Kansas Legislative Research Department
Jill Wolters, Office of the Revisor of Statutes
Daniel Yoza, Office of the Revisor of Statutes
Melinda Gaul, Chief of Staff
Shirley Jepson, Committee Assistant

Conferees appearing before the committee:

Katrin Osterhaus, Audit Supervisor, Division of Legislative Post Audit

Others attending:

See attached list.

Introduction of proposed legislation

Senator Abrams appeared before the Committee to request the introduction of legislation concerning state finance; establishing a process to evaluate and implement federal funding available for state agencies under the federal American economic recovery and reinvestment act of 2009.

Senator Vratil moved to introduce legislation concerning state finance (9rs0892). The motion was seconded by Senator Masterson. Motion carried on a voice vote.

Tom Day, Kansas Corporation Commission, appeared before the committee to request the introduction of legislation regarding regulation of certain types of wells, including oil and gas. Mr. Day indicated that **HB 2241** addresses the same issue but failed to receive any action in the House before "turnaround".

Senator Lee moved to introduce legislation concerning the regulation of certain types of wells. The motion was seconded by Senator Teichman. Motion carried on a voice vote.

Subcommittee report on Department of Health and Environment-Health

Senator Vratil, member of the Subcommittee, presented that Subcommittee report on the Governor's budget recommendations for the Department of Health and Environment-Health for FY 2010 (Attachment 1).

Senator Vratil moved to amend the Subcommittee report on the Department of Health and Environment-Health by adding language to provide that the Safety Net Clinics be moved to the Kansas Health Policy Authority (KHPA), legislation be prepared to accomplish the move, and the appropriation of approximately \$7 million for FY 2009 follow the agency. The motion was seconded by Senator Teichman. Motion withdrawn with approval of the second.

Senator McGinn made a substitute motion to amend the Subcommittee report on the Department of Health and Environment-Health by adding language to review the move and fully understand the impact of moving the Safety Net Clinics from the Department of Health and Environment to KHPA prior to taking final Committee action. The motion was seconded by Senator Lee. Motion withdrawn with approval of the second. The Committee voiced concern that there is a need to fully understand the ramifications of moving the Safety

CONTINUATION SHEET

Minutes of the Senate Ways And Means Committee at 10:30 a.m. on March 2, 2009, in Room 545-N of the Capitol.

Net Clinics from the Department of Health and Environment to KHPA before a final decision is made. After discussion, the Committee felt that rather than delay action on the Subcommittee report, the issue could be dealt with in legislation and further deliberation when the bill is worked.

Senator McGinn moved to introduce legislation to move the Safety Net Clinics from the Department of Health and Environment-Health to Kansas Health Policy Authority (KHPA), request information on how the move would affect staffing, the effects of the stimulus package, and effect of the Governor's Budget Amendment No. 1. The motion was seconded by Senator Lee. Motion carried on a voice vote.

The Committee addressed the programs, as set forth by the agency, to be eliminated or to which cuts will be made in order to achieve a 10.0 percent reduction in the agency's FY 2010 budget.

Senator McGinn moved to reinstate the Pregnancy Maintenance Initiative (PMI) funding to the Department of Health and Environment-Health FY 2010 budget. The motion was seconded by Senator Taddiken. Motion failed on a voice vote.

The Committee felt it is not the focus of the Committee to micro-manage state agencies and dictate where to take budget reductions.

Senator Vratil moved for the adoption of the Subcommittee report on the Governor's recommendation for the Department of Health and Environment-Health for FY 2010 with notations and adjustments as amended. The motion was seconded by Senator Teichman. Motion carried on a voice vote.

Subcommittee report on the Department of Health and Environment-Environment

Senator Vratil, member of the Subcommittee, presented the Subcommittee report on the Governor's budget recommendations for the Department of Health and Environment-Environment for FY 2010 and moved for the adoption of the Subcommittee recommendation on the Department of Health and Environment-Environment for FY 2010 with notations and adjustments (Attachment 1). The motion was seconded by Senator Teichman. Motion carried on a voice vote.

Action on SB 196 - KPERS employment after retirement restrictions to apply to retirants employed by a third-party entity.

Senator Vratil presented a balloon amendment that would require the contract between the school district and a third-party entity to include language stating that the third-party entity would provide compensation information to the school district when requested.

Senator Vratil moved to amend SB 196 by adopting the balloon amendment (Attachment 2). The motion was seconded by Senator Lee. Motion carried on a voice vote.

Senator Teichman presented a balloon amendment that is intended to "grandfather in" any retirant who is under contract with the third-party entity prior to July 1, 2009 (Attachment 3).

The Committee expressed confusion as to whether the amendment would accomplish the intended result and delayed further action on **SB 196** until a later date.

Overview of Low-Priority Programs Audit

Katrin Osterhaus, Division of Legislative Post Audit, presented an overview of the audit on Low-Priority Programs in Kansas: Identifying Them and the Costs Associated with Operating Them (February 9, 2009; 09PA05) (Attachment 4). The audit was performed to help identify and prioritize programs and sub-programs administrated by state agencies that receive at least some state funding and have the lowest priority relative to State agencies' core missions and objectives.

The next meeting is scheduled for March 4, 2009.

The meeting was adjourned at 11:55 a.m.