

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Vice-Chair John Vratil at 10:30 a.m. on January 26, 2011, in Room 548-S of the Capitol.

Senators McGinn excused.

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

Conferees appearing before the Committee:

Acting Secretary Dr. Robert Moser, Department of Health and Environment
Acting Secretary Robin Jennison, Department of Wildlife and Parks
Acting Secretary Nick Jordan, Department of Revenue
Scott Frank, Legislative Auditor, Kansas Division of Post Audit

Bill Introductions

There were no bill introductions.

Follow-Up Report

Senator Vratil called Committee members' attention to a follow-up response from Elaine L. Frisbie, Deputy Director, Kansas Division of the Budget, in which answers to questions at the January 25, 2011, hearing on **SB 16** are provided. This report becomes part of this permanent record (Attachment 1). Senator Vratil noted the response was distributed electronically to Ways and Means Committee members.

Department of Health and Environment

Dr. Robert Moser, Acting Secretary of the Kansas Department of Health and Environment, was present to meet Committee members. He reviewed his personal, educational, and professional background (Attachment 2). Dr. Moser described his involvement with the Federal Emergency Management Agency (FEMA) and environmental disaster preparedness, public service, and his commitment to educating medical professionals.

Dr. Moser reviewed his short- and long-term goals which include a focus on creating a service-based agency, creating and implementing a program of performance management, and improving collaboration with other agencies and stakeholders.

Department of Revenue

Acting Secretary Nick Jordan was introduced to Committee members. As a former Senator, Acting Secretary Jordan is well known in the Capitol building. Mr. Jordan spoke briefly about his appointment and his commitment to being a "pro-growth" Secretary. He named members of his team who are regularly meeting to develop performance matrices, accountability standards and methods to facilitate Department operations (Attachment 3).

Department of Wildlife and Parks

Acting Secretary Robin Jennison was introduced; he presented information related to his long-range plan for the Department (Attachment 4). Mr. Jennison reported on the Governor's budget recommendations which include maintenance of existing levels of service in the state park system. The Governor also has recommended consolidating services by moving the Division of Tourism into the Department of Wildlife and Parks. Considerable discussion was heard on the use of public cabins, initiatives to promote rural Kansas, tourism in Kansas, the coordination of information to promote regional tourism, walk-in hunting, and other pertinent issues. Mr.

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Jennison introduced several members of his staff; he indicated his intent to keep the legislative branch informed of activities in the Department of Wildlife and Parks.

Division of Legislative Post Audit

Scott Frank, Legislative Auditor, was present to discuss the services that the Division of Legislative Post Audit offers (Attachment 5). He discussed audits performed in 2009-2011 which could produce significant savings and revenue enhancements in the State of Kansas.

Mr. Frank referenced an audit, "Financial Regulatory Agencies in Kansas: A K-GOAL Audit Determining Whether Functions Could Be Combined," in which consolidation of the Department of Credit Unions, Bank Commissioner, and Office of the Securities Commission could be combined savings \$260,000 annually. Additional savings of \$295,000 could be realized even if agencies are not consolidated. Senator Teichman questioned what opportunities exist that would create an additional \$295,000 savings without consolidation. Mr. Frank will furnish that information at a later date.

In the Audit referencing "Agricultural-Related Agencies and Whether They Could Be Combined to Achieve Cost Savings," two savings are noted \$710,000 and \$272,758. Senator Schmidt questioned whether the \$710,000 savings included the \$272,758, or whether the \$272,758 was in addition to the \$710,000 savings. Mr. Frank will furnish this information at a later date.

Mr. Frank outlined findings from the audits involving the reorganization of local school districts as well as judicial districts. In addition, he discussed findings from benefits programs such as the audit involving the oversight by Kansas Health Policy Authority (KHPA) on prescription drug costs and the audit to determine whether Social and Rehabilitation Services' (SRS) procedures limit the risk of improper payments. Questions were raised by several senators concerning these audits. Senator Kultala suggested that during presentations by SRS and KHPA in the near future, they be requested to address the findings from these audits.

The combination of consolidating agency data centers could produce a savings of \$726,000. However, it was noted that due diligence related to security issues was of paramount importance.

The meeting was adjourned at 11:40 a.m.