

Approved: March 25, 2011
Date

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 9, 2011, 548-S

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

Conferees appearing before the Committee:

Senator Jay Emler, Chairperson, Senate Ways and Means Commissions/CURB Subcommittee
Senator Ty Masterson, Chairperson, Senate Ways and Means Labor Subcommittee
Secretary Karin Brownlee, Department of Labor

Others attending are listed on the attached sheet.

Bill Introductions

Senator Huntington moved to introduce a bill concerning the low-income family post secondary savings account incentive program (#rs0229); the motion was seconded by Senator Francisco and passed on a voice vote.

Senator Huntington moved to introduce a bill to clarify language in the State's seat belt law (#rs0587); the motion was seconded by Senator Vratil and passed on a voice vote.

Senator Huntington moved to introduce a bill concerning license fees for abstracters (#rs0796); the motion was seconded by Senator Francisco and passed on a voice vote.

Senator Umbarger moved to introduce a bill (#rs 0462) concerning school districts and assessed valuations; the motion was seconded by Senator Emler and passed on a voice vote.

Senator Umbarger moved to introduce a bill related to adult care homes and required minimum nursing care hours (#rs0758); the bill was seconded by Senator Emler and passed on a voice vote.

Senator Umbarger moved to introduce a bill concerning the Kansas dental board and registered dental practitioners (#rs0323); the bill was seconded by Senator Huntington and passed on a voice vote.

Follow-up Reports

Jim MacMurray, Kansas Development Finance Authority, provided a response to committee members' questions from the January 21 meeting (Attachment 1).

In follow-up to the January 2011 preliminary State General Fund Receipts Report (presented February 4), Mr. Alan Conroy, Director of the Legislative Research Department, provided the finalized report. (Attachment 2).

Senate Ways and Means Subcommittee Reports

Governmental Ethics Commission, Kansas Corporation Commission and Citizens Utility Ratepayer Board Subcommittee (Attachment 3)

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Senator Emler, Subcommittee chairman, described the agency funding requests as compared to the Governor's recommendation. The Governor's recommendation supplants the State General Fund (SGF) in the amount of \$230,017 with Governmental Ethics Fee Funds; statutory approval must occur in order to increase these fees. Senator Emler reported on the status of **SB 102**, which is currently in the Senate Ethics and Elections Committee. Senator McGinn suggested the subcommittee report be amended to reflect these contingencies. Senator McGinn moved that the subcommittee report be amended to accurately reflect funding recommendations are contingent on the passage of SB 102 and the gubernatorial signature on statutory fee increases; if not passed, the funding will revert to the agency's request. The motion was seconded by Senator Umbarger and passed on a voice vote.

Senator Emler moved adoption of the Governmental Ethics Commission Subcommittee Report as amended; the motion was seconded by Senator Teichman and passed on a voice vote.

The Governor's funding recommendation for the Kansas Corporation Commission is \$27.6 million from special revenue funds, which is below the agency request. (Attachment 4). It does not include the \$400,000 transfer from the SGF to the Abandoned Oil and Gas Well Fund and includes \$100,000 for the Kansas Electric Transmission Authority (KETA). The Subcommittee concurs with the Governor's FY 2011 recommendation but did not concur with the FY 2012 recommendation. The Subcommittee proposes the addition of \$200,000, all from special revenue funds, to approve part of the agency's FY 2012 enhancement request, and the replacement of ten agency vehicles, all of which have met the 100,000 mile threshold.

Senator Emler moved adoption of the Kansas Corporation Commission subcommittee report as discussed; the motion was seconded by Senator Kelly and passed on a voice vote.

For FY 2012, the Citizen Utility Ratepayer Board has requested \$828,179 from special revenue funds, which is a decrease of \$88,128 below the FY 2011 estimate. Senator Emler reported the Subcommittee concurred with the recommendation with the exception of an adjustment of 2.0 FTE positions (Attachment 5). Senator Emler explained a misunderstanding existed in which 2.0 FTE positions appeared to be unfilled but they were not. The Subcommittee recommended adding 2.0 FTE positions to correct the misunderstanding and maintaining the current staffing level of 6.0 FTEs; there was no impact on the funding request. Senator Emler moved adoption of the subcommittee report containing the FTE adjustment; Senator Kelly seconded the motion, which passed on a voice vote.

Senator Emler noted that the Human Rights Commission report will be rolled into the Legislative and Elected Officials Subcommittee.

Department of Labor Subcommittee

Senator Masterson, Subcommittee chair, briefed committee members on the funding request for the Department of Labor (Attachment 6). The recommendation is a decrease of 3.5 percent below the Governor's FY 2011 recommendation, and a 5.0 percent decrease below the agency's FY 2012 request. Senator Masterson moved approval of the subcommittee report; Senator Taddiken seconded the motion, which passed on a voice vote.

Department of Labor Briefing

Secretary Karin Brownlee, Department of Labor, was present to brief committee members on the agency's goals, priorities, and projects in process (Attachment 7). Secretary Brownlee discussed the State's Unemployment Insurance (UI) program and the existing challenge to repay interest on borrowed funds from the federal government.

Considerable discussion was heard concerning information technology, the Joint Committee on

Information Technology and its role and function, inadequate oversight and monitoring of projects, and processes that require change.

Responding to questions from Committee members, she indicated that:

- Since she assumed the Secretary position, there have been approximately 27 persons terminated in the Department of Labor.
- The UI tax base in Kansas is \$8,000, Missouri is \$13,900, and Colorado is \$10,000. The most fiscally sound UI programs are Washington with a base of \$26,900, Oregon at

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\$24,000, and Iowa at \$24,000.

Secretary Brownlee introduced Kathie Sparks, Deputy Secretary, and indicated Jenna Keesling and Matt Manda from her office are contact persons for Senators and their concerns.

The meeting was adjourned at 11:54 a.m.